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Explosion rocks Israeli Embassy in London

LONDON (Reuters) — A car bomb planted by suspected Middle East extremists blasted the Israeli Embassy in London yesterday, injuring 13 people one day after Israel and Jordan agreed to end their state of war.

Police said they were hunting for a smartly dressed, middle-aged woman of Mediterranean appearance, who parked a grey Audi car and walked away seconds before 20 to 30 kg. of high explosive packed into the boot exploded.

"Given the appearance of the woman and the location of the Israeli embassy, this seems to be a return of Middle Eastern terrorism to the streets of London," Commander David Tucker, the head of Scotland Yard's Anti-Terrorist branch, told reporters.

The bomb exploded without warning outside the embassy in the fashionable Kensington district of west London.

Windows were shattered in a nearby palace that is home to a number of Queen Elizabeth's family. Princess Diana, who also lives at the palace, was away on vacation.

Surrounding buildings were badly damaged by the blast but the most serious injury was a broken arm. "I am a little surprised that there were so few casualties," Tucker said.

The embassy released a list of the staffers injured: Tzipi Alon, Zahava Gazit, Abie Ben-Ari, Michael Goodman, Sharon Hirschman, Landy Mandell, and Shabi Ashtkenazi. They were all lightly injured, and some had already been released from the hospital.

Tucker said the woman, aged between 55 and 60 and carrying a shopping bag from Harrod's department store, had aroused the suspicion of a policeman and an Israeli security guard, who were checking the car when the bomb went off.

Although they were just feet from the blast, neither was seriously injured and they were able to provide detailed descriptions of the woman. "There were bits of vehicle everywhere. All the windows were smashed. It felt like bits of glass were flying everywhere," said Steve Partridge, a 30-year-old truck driver.

Tucker said Britain's secret services had reviewed security precautions in light of the Buenos Aires blast but had no intelligence that an attack was planned.

Prime Minister Yitzhak Rabin said in Washington that Israeli extremists were seeking to disrupt the peace process.

"There is no doubt in my mind we face a wave of extreme Islamic radical terrorist movements in the Arab Muslim countries," Rabin told the NBC television network. "They have infrastructure all over the world, in the United States, in Europe, in Latin America."

Douglas Hogg, a junior British Foreign Office minister, said there was no evidence to link any particular group but Britain presumed it was an attempt to disrupt the peace process. "It is a deeply, deeply shocking event and we will do what we can to catch the people responsible," Hogg said.

The Board of Deputies of British Jews blamed the attack on "enemies of peace" and called on the Jewish community to be particularly vigilant.

Britain's chief rabbi, Dr Jonathan Sacks, called the attack a moral outrage. "This act, perpetrated by enemies of peace, targeted innocent men and women, displaying a shocking absence of civilized values," he said.

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Hussein condemns London bomb blast

Clinton affirms support for Israel, Jordan

HILLEL KUTTLER and DAVID MAKOVSKY

WASHINGTON

JORDAN'S King Hussein joined President Bill Clinton and Prime Minister Yitzhak Rabin yesterday in condemning the bomb blast at the Israeli Embassy in London.

At a joint press conference in the East Room of the White House, the king said he "condemned this recent attack," adding "there is nothing more painful than to see acts like these that have nothing to do with Islam."

Hussein said the bombing was perpetrated by extremists, "people with blinders who have no vision." He said the best answer to such such militancy is to intensify the effort toward peace.

He also indicated that Jordanian

"I've also reaffirmed to King Hussein my determination to assist Jordan in dealing with its burden of debt and its defense requirements. I am working with Congress to achieve rapid action on both these matters," he said, referring to Amman's nearly \$1 billion US debt.

Clinton said "the enemies of peace have not been silent" even as the peace process unfolds, pointing out the bombing in London and one at a Jewish center in Buenos Aires last week. "We will not, we must not allow them to disrupt this peace process."

Hussein and Rabin addressed a special joint meeting of both houses of the US legislature, hitting on many of the same themes delivered at Monday's White

- Mutual toasts
- Highways to Jordan
- Pina Herzog closes 31-year circle

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installations around the world would now be on increased alert. Clinton condemned the attack as being perpetrated by "the enemies of peace" and said the allies of the US would have to do more to counter terrorism.

Rabin, just as he did after the Buenos Aires attack last week, placed the blame for the bombing at Iran's doorstep. "The boss of Hizbullah is Iran," he said, making clear that the bombing was the act of Iran-backed militants.

Rabin called for "an all-out war to be waged" against the enemies of peace. He also called for US assistance to make peace work, which is interpreted as support for Jordan's request for debt forgiveness and military aid.

Clinton affirmed the US would be forthcoming.

"Today, I have reaffirmed to Prime Minister Rabin that as Israel moves forward in the peace process, the constant responsibility of the United States will be to help ensure its security," Clinton said.

House signing of the Washington Declaration.

Their appearance marked the first time in the institution's 200-year history that two foreign leaders jointly addressed Congress.

"I come before you today fully conscious of the need to secure a peace for all the children of Abraham," Hussein told a packed House of Representatives chamber.

"Mr. Speaker," Hussein said, "the state of war between Israel and Jordan is over."

With that, those in attendance—including cabinet members, Supreme Court Justice Ruth Bader Ginsburg and the Washington diplomatic corps—interrupted with applause for one of 31 times during the two speeches.

"I also come before you today as a soldier who seeks to bear arms solely in the defense of his homeland," Hussein continued, "a man who understands the fear of his neighbors and who wishes only to live in peace with them."

US may offer free trade benefits to Arab states which make peace

JOSE ROSENFELD

THE US Congress is considering extending to every Arab country which makes peace with Israel the same free trade benefits Israel enjoys. Treasury International Division director Ehud Kaufman announced yesterday.

House Majority Leader Richard Gephardt introduced a bill which would grant the same trade benefits that apply to Israel to Arab countries that conclude a peace agreement with Israel. Kaufman said that Gephardt's initiative has broad support, but still has to clear significant bureaucratic hurdles before it is adopted.

During the trade talks that took place last week at Jordan's Dead Sea Spa Hotel, Israel and Jordan agreed to pursue a non-discriminatory trade policy. This decision, explained Kaufman, implies the elimination of the boycott. The "declaration [in Washington] calling for the abolition of all boycotts is merely the interpretation of the implications of the understandings reached during our trade talks," said Kaufman.

The Jordanians proposed a free trade agreement which would immediately open up the Israeli market to their goods, while allowing Jordan to gradually open its market over a period of 10 to 15 years. Kaufman said this was too long a

transition period from Israel's perspective and that both sides agreed to resolve the issue through negotiations.

Israel, however, agreed at the first stage to immediately grant Jordan the same trade status of a country which has not signed a trade agreement with Israel, such as the status which applies to Japan. Kaufman explained that under that arrangement Israeli goods will face higher tariffs than Jordanian goods since Israel's economy is more developed and therefore more open to imports. However, Israeli goods will not be subject to higher tariffs than other countries' goods exported to Jordan.

Kaufman pointed out that Jordan intends to pursue a policy of comprehensive and full economic cooperation with Israel based on their proposals at the trade talks. The Jordanians asked for access to Israeli technology and to Israel's trade partners' markets. Jordan exports very little to the West. Jordan also wants to use Israel's trade-related infrastructure, including ports, telecommunications and financial services.

Despite Israel's readiness to open its market to Jordan, the Jordanians were very concerned about



Prime Minister Yitzhak Rabin and King Hussein shake hands before addressing a joint meeting of the US Congress yesterday. US Vice President Al Gore and House Speaker Tom Foley look on. (AP)

During his speech before Congress, Rabin heaped abundant praise on the US for its warm relations with Israel and for escorting

the peace process along. As he had at last September's signing of the Israeli-PLO accord, Rabin devoted a huge chunk of his

emotion-filled address to eulogizing Israel's war dead and those who survived its wars. He also recited sections of

Hamas offers Sa'adon body for prisoners

HAMAS yesterday offered to return the body of missing soldier Ilan Sa'adon in exchange for the release of several prisoners.

In a leaflet and video tape released yesterday, the group asked for the release of their spiritual leader, Sheikh Ahmed Yassin.

They also demanded the release

of Sheikh Abdel-Karim Obeid and Sheikh Mustafa Dirani, who were abducted by the IDF from Lebanon.

Sa'adon was abducted from the Negev in 1989 and presumed murdered by Hamas terrorists.

Appearing in the videotape was wanted terrorist Abed-Rabo Abu-

Housa, a resident of Jabalya, who participated in Sa'adon's murder. It is believed that he spent time in an Egyptian jail and later moved to Sudan. He returned to Gaza last week through the Gaza-Egyptian border fence.

He gave Israel until 7 p.m. Friday to respond to the offer.

IDF soldiers in Rwanda get view into hell

ALON PINKAS
GOMA, Zaire

ON the outskirts of Goma lies hell. It may be greener than you would expect, but this is undoubtedly hell on Earth.

The estimated number of Rwandan — mainly Hutu — refugees varies. The UN High Commissioner for Refugees (UNHCR) puts the number at one million. It may be less than that, but it may be more. The road leading into the camp — a rough description of an endless wave of people coming from somewhere but going nowhere — is jammed with fleeing Rwandans. The road's sides are covered with blankets and straw canopies held

ing the dead — hundreds, thousands, probably more. Where the road ends begins the dark side of hell: Madame Kasouku's orphanage, or shelter for the abandoned and condemned. Of the 4200 children in the compound, estimates are that half will die of cholera.

Eleven children dehydrated from cholera were the first patients taken into the IDF MASH Unit which became operational yesterday morning. The children, lying motionless and silent on the ground, waiting to die, were packed into an IDF pick-up truck carrying the Israeli flag. One little girl died on the 10-minute drive to the hospital. Another died upon arrival. Their bodies were covered and placed some 200 meters away from the Israeli

MASH. Then two trucks made a second trip, trying to perhaps save the lives, more accurately prolong the lives, of others. But there are a million others.

"Please, you must take more, I no longer can take them. They will die in 20 minutes," pleaded a UNICEF doctor from India with the Israeli team. Dr. Danny Engelhardt and two of his regular army medics were clearly shaken by what they saw. Minister Yossi Sarid, carrying a girl who was near death, nearly vomited.

"Death has become a way of life," he said. Soldiers could not hide their tears, suppressed while driving through the refugee camp. "It will

take me a lifetime to absorb this, but I'll need another few years to get over what I saw today," said one of the soldiers after hauling another child into the truck.

What began as an acute refugee problem, now is perilously close to becoming a Zairian problem, and is potentially a violent political struggle, with thousands of Hutu deserters infiltrating into Zaire.

The cholera penetrated Zaire as well, and now UN officials and French health organizations fear that as many as six million Zairians could be infected.

It has been said before that Africa is a dying continent, with no future, no hope, no solution and no remedy. But this tragedy is occurring in one of the continent's richer regions, illuminating humanity's grand failures. Indeed, as one Belgian nurse put it, if there is a God, "He hasn't been here."

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Marketing Division

Shahak: Syria may have had a part in Hizbullah attacks

DEPUTY Chief of Staff Maj.-Gen. Amnon Shahak yesterday did not rule out the possibility of coordination between the Hizbullah and Syria during Monday's attack on IDF troops in the security zone.

Addressing the Knesset foreign affairs and defense committee, Shahak also said the attack was probably timed to coincide with the meeting in Washington between Prime Minister Yitzhak Rabin and Jordan's King Hussein; but he did not attribute much significance to the fact. "There were also attacks in the week before the agreement," he said. "We have a war with the Hizbullah which did not begin yesterday and will not end tomorrow."

Shahak told the MKs part of the Hizbullah attack was conducted from Syrian-controlled territory. "The Syrians knew about the attack and I would not be surprised if there was coordination between Hizbullah and them," Shahak was quoted as saying.

Interviewed after the meeting, Shahak said: "I do not know about Syrian involvement in the incident but I do know that Hizbullah's main bases are located in

DAN IZENBERG

territory supervised by Syria. The Syrians are also deployed in areas south of Baalbek reaching almost to the outskirts of the security zone. I can assume the Syrians know about Hizbullah activity against us."

Shahak told the committee that the paratrooper officer killed in yesterday's incident was hit by a mortar shell which landed inside an IDF outpost.

He said the attack had apparently been planned in advance and followed what was becoming a routine pattern. "They began by firing Sagger missiles at a convoy," Shahak told the committee. "Afterwards, they fired mortars and katyusha rockets at IDF and SLA outposts along a much broader front. They fired artillery along with the rest. The attack also involved coordination between assault and covering forces. A considerable Hizbullah force was involved."

Shahak rejected assessments by MKs that the Hizbullah were able to strike at the IDF with impunity. He said the past year had "not been the worst one" for the IDF in

the war against the Hizbullah and that the army had foiled many attacks which did not go reported.

"We are investing a great deal of thought in our operations in southern Lebanon," said Shahak. "The fight against the Hizbullah is not a simple matter."

Regarding other topics, Shahak made the following points:

- a current investigation into the events at Erez Junction has proved that some Palestinian policemen fired directly at Israeli security forces.
- Jericho secret service chief Jibril Rajoub is demonstrating "a great deal of independence" but there is no proof that he has violated the Israeli-PLO agreement.
- the army missions to Argentina and Rwanda have cost millions. The money was taken from the defense budget.
- the number of days of reserve duty will not be cut next year despite the Gaza/Jericho Accord because the standing army has to spend much of its time in training exercises.
- the final decision on the size of Jericho must be made by August 4. Shahak said he doubted there would be any change in the map.



A London police officer stands on duty in front of the damaged annex between the Israeli Embassy and the consulate in Kensington Palace Gardens, west London yesterday.

Six major highways planned into Jordan

HAIM SHAPIRO

THE Public Works Department announced yesterday it is planning six major highways into Jordan.

Department spokesman Meir Gazit said the most obvious route - and that which had already been proposed in talks among Israel, Jordan and the US - was that between Akaba and Eilat.

The planned road is to cost \$1 million and go from the area of Eilat, north of Eilat, due east. Both Israel and Jordan will have to lay out a kilometer and a half of new highway, he said.

Further north, a highway is to go from the Nitzana border crossing with Egypt to Petra.

Another route is to connect Gaza, Beersheba and Jarash,

while a proposed highway from Ashdod is to pass near Kiryat Gat and Hebron.

In the center of the country, the greater Tel Aviv area is to be connected with Jerusalem and Amman, while in the North, a road is to go from Haifa through the Jenin area and Beit She'an to Irbid.

Gazit said in most cases there were roads along the proposed routes, but they would have to be widened, with new interchanges.

"We are talking about international highways," he said, adding that no actual work could be done on the proposed highways until

the government gave the order to do so.

In Yoke'am yesterday, Itim quoted Housing Minister Benjamin Ben-Eliezer as saying he gave the order for the planning to ensure that when peace did come, the roads from Amman to Jerusalem and Ashdod would be open for travel.

He hoped that when a peace treaty was signed, Jordan would soon begin using Israeli ports.

Ben-Eliezer said work on the first 90 kilometers for the new Cross-Israel Highway (Highway No. 6) is to begin within a month. He said this road could eventually serve to connect Cairo in the South with Lebanon in the North.

Palestinians denounce granting of role to King Hussein in Jerusalem

PALESTINIANS yesterday angrily denounced the Israeli-Jordanian deal granting King Hussein a role in future talks on the status of Jerusalem.

Supporters of PLO leader Yasser Arafat and hardline opponents of his peace deal said Jordan, in the agreement signed in Washington on Monday, had sold out to Israel on the Jerusalem question.

"It was not the Israeli government's right to give any role or commitment on Jerusalem since it

is an occupying state," an official PLO source said in a statement published by Wafa, the Palestinian news agency in Gaza.

"This [agreement] pre-determines the fate of Jerusalem and limits it only to a role in the Islamic holy places and ignores Jerusalem as a political, Palestinian, Arab, Christian and Islamic issue and ignores the fact that it is an occupied city," said the official source quoted by Wafa.

Mahmoud Zahhar, spokesman for Hamas, said: "The aspirations of the Moslem people everywhere are not only for a religious administration for Jordan or for the Palestinians or for any Arab party on the third holiest Islamic shrine."

In its editorial, the widely-circulated *al-Quds* newspaper wrote: "It is worthwhile remembering that the issue of Arab Jerusalem is not merely an issue of religious ceremonies or holy places only, but a political and geographic one as well."

Palestinian leader Faisal Hussein, a member of the Palestinian Authority in charge of Jerusalem affairs, said Israel had no right to bring Jordan into the final negotiations. (Reuters)

'Palestinians want confederation with Jordan, then Israel'

EVELYN GORDON

THE Palestinian Authority hopes to form a confederation with Jordan, and eventually with Israel as well, Fehd Abu Medeen, who holds the authority's justice portfolio, said yesterday.

Abu Medeen was meeting with Justice Minister David Liba'i at the Knesset, where the two had lunch together. This is the first time a member of the Palestinian Authority has been in the Knesset.

Abu Medeen said he hopes such meetings will take place every two weeks. He said a confederation with Jordan would be better for the new Palestinian entity than being entirely on its own, according to Liba'i's spokeswoman, Ilana Levyan.

The main issues discussed by Liba'i and Abu Medeen were the release of the remaining Palestinian prisoners in Israeli jails - especially 37 women - and the end of administrative detentions of Palestinians.

No decisions were made on either issue, however.

Abu Medeen said he also discussed the possibility of using Israel's forensic laboratories for help in the Palestinian Authority's war on drugs and drug-related crimes. However, Abu Medeen said he was very disappointed by the government's decision to pass a law restricting the Palestinian Authority's activity in Jerusalem.

The law came up for its first reading in the Knesset yesterday. "This is against the spirit of the peace," he said. "This is not the time to raise new problems."

Rabin and Hussein raise glasses to each other

HILLEL KUTTLER

WASHINGTON

DUCK and pheasant were on the menu Monday night at the White House, but sugar was undoubtedly the affair's main ingredient.

Prime Minister Yitzhak Rabin and Jordan's King Hussein generously praised one another - and their host, President Bill Clinton - at an official dinner held in their honor following their historic meeting earlier in the day. One might never have surmised that the black-tie evening in the State Dining Room did not celebrate a peace treaty, which is still to be concluded.

But it certainly underlined the warming and, at last, public relationship.

"Mr. Prime Minister, it's been a great pleasure," Hussein said in toasting Rabin at the dinner capping their memorable day. "I'm sure that, tired as we might be, after years and years in the search for this day, the search for this beginning, we'll go back to our region with a new vigor and determination to achieve beyond this point all the dreams and the hopes of our people."

Seated between Queen Noor and First Lady Hillary Clinton, Rabin rose and returned the compliment before the approximately 100 leading officials of the three countries.

Recalling that his military career began during the War of Independence fighting against the Jordanians, Rabin said he has "always respected" Hussein as "the most noble, reasonable, unique personality" and the one Arab leader who brought his country's values most in line with Israel's.

"I always admired and trusted His Majesty King Hussein. And I believe his signature - when he signs, he means it," said Rabin of the document they sealed outdoors eight hours before.

Schmaltz with a purpose

ANALYSIS

ALLISON KAPLAN SOMMER

TO THE home crowd, it may have seemed that Prime Minister Yitzhak Rabin and King Hussein laid it on a bit thick as they did everything they could to make the occasion a bit grander and waltz in their joint appearance yesterday before the US Congress.

In their speeches, the two leaders mercilessly plucked at American heartstrings with wartime recollections, biblical references, prayers, poems and lyrical songs of gratitude for the American role in the peace process - anything they could do to remind their audience of the history of US activity in the Middle East and why the region should remain important to them.

It was all absolutely necessary. The king and prime minister were competing with the O.J. Simpson case for television time, with the crumbling American health care system for a spot on the public agenda and with the human tragedies in Rwanda and Haiti for a place on Congress's foreign aid roster.

During the Cold War, or even just two years ago, even the most perfunctory words exchanged between an Israeli prime minister and a Jordanian king would have automatically seized US attention and offers of financial assistance from the US Congress.

Laconic Liba'i turns verbose to lead Knesset filibuster

DAN IZENBERG

JUSTICE Minister David Liba'i, well known for his concise use of words, yesterday found himself in the unlikely situation of conducting a filibuster in the plenum while party colleagues were attending a wedding.

A long and serious debate on government enabling legislation to implement the Gaza/Jericho First agreement collapsed into a farce when Speaker Esther Salimovitz refused Liba'i's request to postpone his reply and the vote until the following day.

At 8 p.m., as voting time neared, Liba'i and a handful of coalition MKs found themselves in a minority after most Labor MKs left to attend the wedding.

Liba'i asked Salimovitz for permission to postpone his reply until the following day. Over the years, it has become a Knesset custom to grant such requests. However,

Gerald Steinberg is a senior research associate at the BESA Center for Strategic Studies, Bar-Ilan University. First Buenos Aires, then Panama, and now a bomb at the Israeli embassy in London. Why the sudden surge in anti-Israel terror outside the country?

There are two factors that are probably involved. First, it is a response to the series of Israeli reactions in southern Lebanon against Hizbullah, including the capture of Mustafa Dirani, and later the bombing of the Hizbullah barracks and training base. The other factor seems to be the progress in the peace process, with the radicals trying to hold out and demonstrate that there is an effective opposition.

Why are the attacks taking place outside of Israel?

It is easier to do abroad, and it makes more news, reaches a bigger audience, grabs more headlines. An attack in Israel gets page five on *The New York Times*, but an attack like this is a lead story. This is a good way to get publicity, and rally the troops.

Also, in countries like Argentina and Britain terrorists have been able to penetrate and establish networks. These are countries with large Arab populations, and the networks are relatively unmonitored. The countries don't see these networks as threats to them, and as such are more lenient toward them.

What can Israel do? Israel needs to be more forceful in getting these countries to monitor the threats, increase the security, and act against these networks. This is an international problem - it is hard for unilateral action. The terror networks need to be rolled up.

Is it likely the international community will cooperate? Argentina has been embassied, and so has London. They have only taken limited action against Arab groups in the past, both because they have large Arab populations, and because they have links with Arab countries.

Europe is now trying to develop trade relations with Iran. Considering the open European borders, it is a question whether the rest of Europe - Italy, France, Germany - will go after these groups, will pressure Iran to stop. So far there has been no indication of that; there is too much trade and economic interest involved. What are the terrorists trying to achieve?

It is a sign of frustration, of militancy. It is not a rational response with a specific goal. The attack in Argentina seems to have been planned well in advance, and was not a response to a specific event of the last week or two, like the Hussein-Rabin meeting. In a broader sense it could also be a response to the Gaza-Jericho accords, and to the PLO's rise in power. *Herb Kainon*

Arab policeman shot dead near Tulkarm

BILL HUTMAN

AN ARAB police officer was shot dead in an ambush in his Samaria village yesterday as he returned home from work.

Police said the slaying of the 53-year-old officer came as Palestinian terror groups have increased their threats against the few remaining Arabs on the force.

By late last night, the officer's name was not permitted for publication by the Army Spokesman, pending notification of the family.

A senior police source said the ambush was well-planned. The officer left work at the Tulkarm police station at around 3.15 p.m., and drove directly towards his home in the nearby village of Ak-

taba, the source said. He encountered a makeshift roadblock near his home, and when he slowed the car down, several assailants opened fire, the source said. The car smashed into the side of the road.

The officer was shot several times, and died as he was being taken to the hospital, the source said.

Over 200 Arabs belonged to the Samaria District police force before the intifada. Most, however, quit in recent years because of threats by fellow Palestinians.

About 20 Arabs still serve in the district, despite the constant threats on their lives.

For Pnina Herzog, historic meeting closes a 31-year-circle

HILLEL KUTTLER

WASHINGTON

BEING a guest of honor at this week's first public meetings between King Hussein and an Israeli leader closed a 31-year-old circle for Pnina Herzog.

Her late husband, Dr. Ya'acov Herzog, was the first Israeli official to engage in secret talks with Hussein. In tribute to him, Prime Minister Yitzhak Rabin brought Pnina Herzog and 11 other guests here for the landmark events.

In conversation with *The Jerusalem Post*, she confirmed that her husband had been Israel's first point man in contacts with Hussein.

"In '63, as deputy director-general of the Foreign Ministry when Hussein was seeking to open a channel to Israel, Ya'acov Herzog went to meet him in London," she recalled.

"From '63 to November '71, he participated in the meetings," she said. "The meetings were sometimes in London, in Paris, in the waters between Eilat and Akaba."

Sometimes it was on our yacht, sometimes theirs. In November '71 was the last meeting in Akaba."

Ya'acov Herzog even held some of the clandestine talks on Jordanian land, at King Hussein's palace in Akaba, she said. Herzog died in March, 1972.

My husband "was impressed by [the king] as a strong man, a courageous man, someone who knew how to survive, who endangered himself in everything he did, as someone smart," she said.

But the 65-year-old Pnina Herzog - a pharmaceutical chemist who is deputy director-general of the Health Ministry - confessed to having mixed emotions.

"I'm happy there's a development in the direction for which my husband worked so hard. He gave his life for the goal. But I'm sorry he didn't live to continue in a formal and open way that which he started in a secret way, under even dangerous conditions."

Chief rabbi: King Hussein welcome, but all of Jerusalem is ours

KING Hussein is more than welcome to visit Jerusalem, "but sovereignty over all the city must remain with us," Chief Rabbi Yisrael Meir Lau said at a Rabbinical Council of America (RCA) meeting in Jerusalem yesterday.

There can be no compromise regarding sovereignty over all Jerusalem, Lau added. Lau cited the story in Kings I where Naboth refused to give his vineyard to Ahab, and quoted Naboth's response to the king of Samaria: "The Lord forbids me from giving the inheritance of my fathers to you."

"This was said in relation to a vineyard in Jezreel," Lau said. "Here [regarding Jerusalem] we are talking about the place where the

HERB KEINON

Holy of Holies stood."

Regarding King Hussein, who under the Washington Declaration Monday received recognition of the "special role of the Hashemite Kingdom of Jordan in Moslem Holy Shrines in Jerusalem," Lau said: "I hope that his mouth and his heart are walking in unison toward peace. Please, come to visit Jerusalem. But sovereignty over all the city must remain with us."

After his speech, Lau said "I hope that there is no reason to worry" about this clause of the Washington Declaration.

Lau was speaking at the opening session of

the annual RCA-Israel colloquium. The three-day meeting, according to its coordinator Naf-tali Hollander, is to "highlight major issues that affect the world Jewish community."

The title of yesterday's meeting was "The status of Jerusalem - legal, legislative and halachic aspects," and the topic of today's session is "Preserving the Jewish character of the state of Israel."

On Thursday the RCA, in cooperation with the Chief Rabbinate, the Jewish Agency and Religious Affairs Ministry, will launch a new program of workshops with Israeli neighborhood rabbis, with the hope of giving them some of the counseling and homiletical tools of the American pulpit rabbi.

Man suspected of drugging, robbing cabbies remanded

RAINE MARCUS

A RAMLE resident suspected of drugging and robbing taxi drivers was remanded for eight days by Tel Aviv Magistrate's Court yesterday.

The man, 40, whose name and photograph were banned from publication pending a line up, admitted buying cabbies bottles of orange drink, but said he was only being polite "because of the heat."

"The cabbies needed to quench their thirst," he told investigators. Herziya police suspect that during taxi rides the man would ask the drivers to stop at kiosks so he could buy a cold drink. He would also buy a bottle of orange juice for the drivers, but police allege he would spike the drinks. Police found a quantity of sleeping pills in the suspect's pockets when he was arrested.

When the drivers stopped their cabs because of an unexplainable feeling of tiredness, the suspect allegedly stole their takings. So far, five cabbies have filed complaints with police.

The man was also caught robbing a Herziya Pitah home, and police suspect he is responsible for breaking into 15 other apartments in the area. The man confessed to two burglaries only.

In remanding the suspect, Judge Bracha Ofir said that although the suspect maintained he was just being kind by offering cabbies a cold drink on a hot day, "the drivers didn't think he was especially kind when they woke up and found their takings had vanished."

Gordon: Argentine Jews fearful and uncertain

ALLISON KAPLAN SOMMER

THE Argentine Jewish community is gripped with panic over terrorism, a Jewish Agency official said yesterday.

Uri Gordon, head of the agency's Immigration and Absorption Department, said the Jews in Argentina are reluctant to enter Jewish institutions or send their children to the Jewish schools they regularly attend. Gordon has been in regular telephone contact with the Jewish community leaders in Buenos Aires.

The insecurity is characterized by distrust of their government's ability to protect them or capture those behind last week's deadly bomb blast in the city's center of

Jewish activities, he said.

"There seems to be a feeling in the community that only Israel is capable of finding the perpetrators and bringing them to justice," said Gordon, who was in Buenos Aires in 1992 when the Israeli Embassy there was bombed. He said the Argentine Jewish community leaders had asked him to spend a month in the city helping them recover, but that his responsibilities in the agency prevented him from doing so.

"We will do everything we can to help them get over this tragedy," he said. "I believe that slowly, eventually, life will return to normal."

Remains of murdered Lithuanian rabbis found 53 years later

Remains to be buried on Mt. of Olives today

THE BONES of two rabbis murdered by the Nazis 53 years ago were discovered yesterday in the small Lithuanian town of Riteva, and will be brought to Israel for burial today on the Mt. of Olives in Jerusalem.

The remains of town rabbi, Shmuel Fundler, and ritual slaughterer, Rabbi Abba Rabinovitz, were discovered by a delegation of rabbis and Heyra Kadisha representatives in a town park.

Deputy Knesset Speaker Dov Shilansky explained that when the Germans invaded Lithuania in 1941, local collaborators captured Fundler and Rabinovitz, cut off their beards, forced them to put on a talit and tefillin, and brought them to the park, where

they were buried alive in a pit.

Their exact place of burial was never known, although the two were believed to have been buried in a mass grave in the park where Jews from the town were buried.

But several months ago, Nahman Katz, an American born in the town, ran into a childhood friend who told him he had witnessed the murder, and helped him locate the spot where the bodies could have been buried.

Katz contacted Jerusalem Chief Rabbi Yitzhak Kolitz and Shilansky for help in bringing the bones to Israel.

Kolitz and Shilansky arranged for the team, which also consisted of American rabbis, which eventually found the remains. (Itim)

Russian kolkhoz leaders coming here to study agricultural techniques

TWENTY leaders of Russian kolkhozes, or collective farms, will come here for an agricultural study session, according to an agreement reached at the end of Agriculture Minister Ya'acov Tsuri's visit to Russia, according to Agriculture Ministry spokesman Roni Hasid.

The Russian visitors will study about irrigation and the use of agricultural technology.

During the visit, it was also agreed that Russian Deputy Prime Minister Alexander Viruba will visit Israel in October. It was further agreed that an Agriculture Ministry representative will set up an Israeli cowshed in the Moscow

area next month, to demonstrate Israeli milking methods and technology used to improve milk production.

Tsuri said he sees Russia as an important potential market for exports of fresh fruit, vegetables and flowers. Tsuri said agricultural exports to Russia would be on a free market basis, with no monopoly given to any particular company. (Itim)

Winning cards

In yesterday's Mifal Hapais daily Chance card draw, the lucky cards were the 8 of spades, ace of hearts, 7 of diamonds and ace of clubs.



MK Aryeh Deri and his attorney, Dan Avi-Yitzhak, leave Jerusalem District Court, which decided yesterday to allow them to question prosecution witnesses before Deri's September 1 trial.

Court lets Deri's attorney question prosecution witnesses before trial

EVELYN GORDON

FORMER interior minister Aryeh Deri's attorney may question five prosecution witnesses before the trial, despite the prosecution's opposition, the Jerusalem District Court ruled yesterday.

The five witnesses include an accountant, a lawyer and three bookkeepers. Deri's attorney, Dan Avi-Yitzhak, said he needed to speak with them to clarify the claims the prosecution is making regarding Deri's accounts. Without understanding these claims, he cannot prepare a defense against them, he said.

Deri is facing charges of bribery, fraud, breach of trust and falsifying corporate documents. The trial is slated to start September 1.

Avi-Yitzhak had originally submitted his request to the Bar Association, which approved it, with certain restrictions. The prosecution then asked the court to overturn this decision.

Lead prosecutor Yehoshua Resnick said that as a rule, neither side is allowed to meet with the other side's witnesses before the trial, "except in very, very special cases."

Furthermore, allowing the defense attorneys to meet with these witnesses would "almost certainly interfere with the course of the trial," he said.

However, Judges Ya'acov Ze-

mah, Miriam Naor and Moussia Arad said they saw no reason to interfere in the bar's decision. In the US, England and other countries it is accepted for the defense to talk with prosecution witnesses in certain cases, they noted; and since the court is aware of the meeting, it will take it into account when hearing these witnesses' testimony.

Originally, the judges said that if the prosecution would consent to the meetings, it would add another restriction to those imposed by the bar. Avi-Yitzhak would be able to question the witnesses only about Deri's accounts.

Since the prosecution refused to agree, however, the court left the bar's decision untouched.

Holiday spots aplenty for animal-lovers

THERE is no lack of spots where you can see animals during the summer vacation, although conditions still vary greatly from place to place.

The list is not all-inclusive; several cities have small local zoos and large numbers of kibbutzim and moshavim have animals corners open to the public.

For those who like to see animals without going on a hike, here are a few places to consider.

Those who prefer their animals in more natural settings than zoos should go to the Yotvata Hai Bar nature reserve, which focuses on returning endangered species to their natural surroundings. Antelopes, ostriches, foxes and jackals are very popular. Guided tours of the predators' areas and open safari sections leave on the hour from 9 a.m. to 1 p.m.

The dark room where you can see nocturnal creatures during daylight hours is open to 3 p.m. Admission is NIS 23 for adults and NIS 12 for children. The nature reserve is next to Kibbutz Seder, 35 km. north of Eilat (07-376018 or 07-373057).

The Ramat Gan Safari is also one of the best places to see wild animals in surroundings as near natural as possible. Apart from the hippos, lions and monkeys, the summer attractions include a children's show and circus. Hours: 9 a.m. to 7 p.m.; Fridays to 3 p.m. Tickets: NIS 26 adults and children over 4; children 2-4 pay NIS 22. Details: 03-6422884.

The Tisch Family Biblical Zoo in Jerusalem's Malha neighbor-



SUMMER SCENE
LIAT COLLINS

hood also tries for natural settings. Most of the animals are in enclosures surrounded by moats rather than bars.

Although there is a special exhibition being offered which includes eight exhibits from the famous Father Schmitz collection of stuffed animals, the main attraction is still the live creatures. Hours: 9 a.m. to 8 p.m. (box office to 6:30 pm); Fridays to 3 p.m.; Saturdays 10 a.m. to 5 p.m. Tickets: NIS 18 adults; NIS 12 children. Details: 02-430111.

Another breeding center in the middle of a city is the SPNT's zoological gardens at Abu Kabir (Rehov Herzl, Tel Aviv). There is a selection of endangered animals including vultures and rare birds being bred for reintroduction to the wild. Hours: 9 a.m. to 7 p.m., Fridays to 1 p.m.; Saturday, 10 a.m.-3 p.m. There are afternoon activities for children between 4 p.m. and 7 p.m. Tickets: NIS 8 (adults); NIS 6 children. 03-6813966; 03-6822352.

An unusual spot for an educa-

tion which is fun is the Havat Hanokdim sheep farm near Jerusalem's Ein Karem neighborhood (on the road to Mevo Betar from the Keren junction). Trips featuring activities like wool-shearing, butter-making and spinning leave at 9 a.m. and noon, for about 2½ hours. Tickets: NIS 14 children; NIS 10 adults. Details: 02-434280.

Hamat Gader's alligator farm (near entrance to Tiberias; 7 a.m. to 4:30 p.m.; NIS 27 adults; NIS 23 children: 06-7510390) is perhaps better known, but its counterpart at Moshav Petzael in the Jordan Valley is also open to the public. Among the attractions: alligators of all sizes, and an egg hatching area where you can see the baby alligators come out of their shells. Hours: 8 a.m. to 4 p.m., seven days a week; NIS 9 adults; NIS 5 children. Near the Migash Hakeva junction; signs from Jericho and Beit She'an. 02-941207.

For feathered fun, though of a very commercial kind, the Zappari Bird Park in Tel Aviv's Ganei Yehoshua, is a possibility. Apart from the colorful birds, there are summer attractions including the Russian Circus, a children's show and reptile display. Hours: 9 a.m. to 5 p.m.; Fridays to 3 p.m. Tickets: NIS 21 adults; NIS 18 children or NIS 26 to include the extra shows. 03-6422884.

True animal lovers needn't stop at just a brief visit to a zoo, however - they can take an animal home. For details call: 03-6046488; 02-851531; 03-5441045; 03-6810061.

The State of Florida Honored in the Knesset



Tossing American-Israeli friendship in the Knesset. Left to right: Mr. Jean Kitzky, Founding Father for the State of Florida in the American Promenade in Israel Daniel D. Cantor; Knesset Majority Leader Eli Dahan, Deputy Defense Minister General Mordechai Gur, and Minister of Police and Energy Moshe Shaul.

Daniel D. Cantor of Florida was awarded the title of Founding Father for the State of Florida in the American Promenade at a special reception in the Knesset honoring the State of Florida. The title was presented to him by Minister of Police and Energy Moshe Shaul, in the presence of Deputy Defense Minister General Mordechai Gur, Israeli Co-Chairman of the Joint Commission on the American Promenade Eli Dahan, M.K., General Uri Narkiss, Chairman of Knesset Caucus for Social and Welfare Affairs Rafi Eyal, M.K., Mayor of Ariel Ron Nachman, M.K., Yaakov Shefi, M.K., Dr. Joseph Wazman, M.K., Dr. Raanan Cohen, M.K., Chairman Rabbi Eleazer Sorotzkin of the Executive Board of Kiyat Teish Stone, and Rabbi Albert B. Schwartz of the Jewish Federation of Fort Lauderdale, Florida, among other honored guests.

Florida Senator Connie Mack, a member of the Joint Commission on the American Promenade, said "Dan Cantor's dedicated efforts led to the creation of this lasting symbol of the close relationship between Florida and Israel, the only democracy and our greatest ally in the Middle East." Mr. Cantor was received by former Prime Minister Yitzhak Shamir, Jerusalem Mayor Ehud Olmert, M.K., Benny Begin, M.K., and Mayor of Maale Adumim, Benny Kashriel.

Continued on page 80

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Congress begins Whitewater hearings

WASHINGTON (AP) - Congressional Whitewater hearings opened yesterday with an immediate party-line vote barring questions about the suicide of White House aide Vincent Foster.

White House Counsel Lloyd Cutler, the leadoff witness, declared that White House aides violated no ethical rules by contacting banking regulators about a failed Arkansas thrift.

The House Banking Committee hearing, which is dealing primarily with contacts between the White House and federal regulators, is the first of several expected to look into the Clinton administration's ethics.

On a 31-19 vote, all Democrats supported committee Chairman Henry Gonzalez's motion to bar questions about Foster's death, which has been ruled a suicide by law enforcement authorities and the Whitewater special prosecutor. All Republicans on the committee opposed the motion.

Senior Republican Jim Leach of Iowa chided the Democrats for restricting the hearing to "only about five percent of the Whitewater affair."

"Whitewater is about the arrogance of power," he said. "Breaches of the public trust, after all, cannot be long shielded in a democracy."

Foster, whose body was found in a Washington area park last year, was a longtime Clinton friend and handled some Whitewater matters for the president.

The early party-line vote cast a partisan tone to the opening of the hearing into the way aides to President Clinton handled the federal investigation into Madison Guaranty Savings and Loan. The institution had ties to investments by President Clinton and Hillary Rodham Clinton into the Whitewater resort in Arkansas.

Republicans planned to challenge that and also to question whether the administration's explanations in the Whitewater affair have been completely forthcoming.

The Whitewater affair has its roots in the early business dealings of the Clintons. It derives its name from Whitewater Development Corp., which lost money for several years and the Clintons sold out their interest in 1992. The Clintons say they invested and lost \$68,900 in Whitewater.



A Rwandan refugee child gets some water yesterday from a Zairean volunteer at the Mungu camp in Goma, Zaire. (AP)

US commander flies into Goma on refugee mission

GUY DINMORE
GOMA

US Army Brigadier-General Jack Nix flew into eastern Zaire yesterday to command the operation ordered by President Bill Clinton to aid more than a million Rwandan refugees stalked by cholera and starvation.

"To stop the dying and relieve the suffering - that is my immediate mission," Nix told reporters at Goma airport.

He said the air bridge used during the Gulf War was being set up. "We will do what is necessary to bring the suffering to an end," Nix added, but said he did not know yet how many troops would be deployed or how soon.

During a stopover at Uganda's Entebbe airport, he said he would visit the Zairean border towns of Goma and Bukavu and might visit the Rwandan capital of Kigali later in the week.

The US is using Entebbe, on the shores of Lake Victoria, as a hub of its operation to provide more than a million Rwandan refugees in Zaire with food, medicine and clean water and help an estimated 190,000 Rwandan refugees in neighboring Burundi.

Nix said the US operation might

switch its focus to providing clean water instead of food. Thousands are dying in the Goma area daily from cholera because of contaminated water.

Nix flew into Goma in a small jet after a giant military transport plane brought in essential equipment to purify contaminated water.

Teams of US soldiers set up their first water purification plant on the shores of Lake Kivu. Further down the water's edge refugees collected drinking water close to a floating corpse.

"We're moving as fast as we can," said US Army Major Guy Shields.

Just outside Goma airport, refugees were collapsing with cholera, their bodies piling up at roadside as quickly as burial teams of French military and aid agencies could collect them.

Mass graves are full. Because the volcanic rock is so hard to break and bodies are quickly decomposing, aid workers decided

on Monday to start burning corpses, an act that is anathema to many Africans who believe it destroys the spirits of the dead.

While the relief effort slowly builds up momentum the UN High Commissioner for Refugees (UNHCR) is starting a programme to encourage refugees to return to Rwanda.

"It's taken us until now to get the aid effort off the ground. Hopefully we can balance the effort to feed and water 1.2 million people with the process of getting them home," UNHCR spokesman Ray Wilkinson said.

Aid workers estimate about 14,000 refugees have died of cholera and other causes since the mass exodus began on July 14 as rebel forces of the Tutsi-dominated Rwanda Patriotic Front (RPF) routed the Hutu-led government army.

UN World Food Programme (WFP) spokeswoman Mercedes Sayagues said her agency wanted to place stockpiles of food along

the roads inside Rwanda to sustain refugees going home.

"A spontaneous repatriation is possible," she told reporters.

More than 800 Hutu refugees were counted by a UNHCR worker crossing back into Rwanda via the main border post yesterday morning but hundreds more were making their way back through woods and banana plantations.

International Committee of the Red Cross (ICRC) officials, who were the first to deliver food to refugees in Zaire, warned that a fresh exodus could take place if relief efforts were not stepped up inside Rwanda.

"The ICRC is worried that the plight of 500,000 displaced in urgent need of aid in southwestern Rwanda has been overshadowed," said an ICRC statement.

"If aid operations are not stepped up also in Rwanda, a new exodus of catastrophic dimensions could take place in the next week."

The UN was aiming to get up to 36 aid flights into Goma's small airport yesterday, the most so far. (Reuters)

NATO increases air surveillance of Gorazde

SARAJEVO - NATO warplanes stepped up surveillance flights over Gorazde yesterday after Serb forces fired a mortar round at Bosnian government lines.

The Serb action violated a ban on using heavy weapons around the eastern part of the Muslim enclave, risking NATO air strikes. UN approval is needed for retaliation against the Serbs.

Claire Grimes, a UN spokeswoman in Sarajevo, said NATO planes responded to a UN request yesterday with increased reconnaissance of the Gorazde area to pinpoint the heavy weapons in the exclusion zone.

The United Nations sent a warning letter to the Serbs on Monday after Serb forces fired an anti-aircraft gun Sunday on field workers outside Gorazde, killing a woman and wounding a man.

Grimes said the letter demanded that the Serbs withdraw all heavy weapons from the exclusion zone, but it did not set a deadline.

NATO planes bombed Serb weapons around the Muslim enclave of Gorazde on April 10 and 11, before the exclusion zone was imposed later that month to protect UN peacekeepers. There have been no air strikes since then.

Cmdr. Eric Chaperon, a spokesman for the peacekeeping force, said Serb forces yesterday fired an 82mm mortar round toward Muslim-led Bosnian government lines from within the 20-km heavy-weapons exclusion zone around Gorazde, 50 km southeast

of Sarajevo. There were no reports of injuries or damage.

Chaperon said the mortar prompted the United Nations to request intensified NATO surveillance of the area.

In all, observers reported 11 incidents of shelling or mortar exchanges in the Gorazde enclave Monday and early Tuesday, but Chaperon said he could not specify how many involved heavy weapons fired from the zone.

"We're using all means available to verify what's taking place," said Grimes, the UN spokeswoman. "The air presence and ground presence is being increased today to help get a clearer picture."

In Sarajevo, the UN remained suspended Sunday. Five planes were hit by gunfire in three days last week, but relief agency officials said the attack wouldn't be resumed until Friday at the earliest.

Chaperon also reported heavy exchanges of fire in a central area around the town of Maglaj.

Bosnian radio said Muslim civilians were seriously wounded there by Serb fire, correcting an earlier report that they were killed. Later, it said the toll of wounded since Monday had risen to 21.

In Sarajevo, two French peacekeepers were killed their base and joined Serb soldiers returned to their unit late Monday shortly before the impact of a missile that would have opened them to destruction charges.

Religious war looms on Philippine island

ISABELA, Philippines (AP) - Religious tensions may explode on Basilan Island in the southern Philippines after the massacre of 15 Christians and the abduction of a Roman Catholic priest, civic leaders warn.

The crisis on the island about 960 km south of Manila has national implications because of fears it could worsen relations between majority Roman Catholics and Muslims.

In Manila, a southern congressman denounced a suggestion by Defense Secretary Renato de Villa that civilian militiamen be used to combat the Muslim extremist Abu Sayyaf group, which carried out the massacre and kidnapping.

More than 50,000 people died when Muslims rose up against the government in the 1970s. The government is negotiating with the main Muslim rebel group, the Moro National Liberation Front, to end the 20-year-old insurgency.

Tensions rose when the Abu Sayyaf group seized about 50 Christians on the island June 8.

Fifteen were massacred. The rest, except for the Rev. Celso M. Garcia, were released after officials paid a 200,000 peso (\$7,700) ransom.

The extremists have demanded 3 million pesos (\$115,000) for the release of the priest and Catholic Church has refused. Philippine military attacks on Abu Sayyaf hideouts - including bombings and helicopter strafing - have failed to free the priest.

Abu Sayyaf, a radical Islamic group, has threatened to launch reprisal attacks against Muslims, who make up about 75 percent of the island's 250,000 residents. Local officials say many of the Muslims are also members of the government's civilian militia and are armed.

Catholics comprise about 85 percent of the Philippines' total population of 65 million.

N. Korea soldier killed in mysterious shooting incident

SEOUL (Reuters) - A North Korean soldier was presumed killed by shots fired on the northern side of the tense inter-Korean border, but Seoul government officials said yesterday there was no sign the incident was a provocation against the South.

The spokesman said 30 to 40 rounds fired from assault rifles were heard on Monday while five North Korean soldiers were patrolling near the demilitarized zone (DMZ) which bisects the peninsula from sea to sea.

The incident was reported as Seoul announced the Stalinist North had fully resumed routine military exercises, a sign the reclusive nation was returning to normal following the death this month of its "Great Leader" Kim Il-sung.

The North Korean soldiers were walking away from the border when the fusillade of shots was heard by southern soldiers guarding the frontier near the Korean east coast, he said.

"One man fell down, three took him to a barracks and then took him away on a truck," he said. "We presume a soldier was either killed while resisting or that he killed himself."

The spokesman did not rule out the possibility of an attempted defection.

"We simply don't know what exactly happened. Everything took place on the northern side of the border but there were no provocative moves," he added.

He said the South's First Army Command, guarding the eastern border area, had been ordered to

step up surveillance.

Jim Coles, spokesman for the United Nations Command, which maintains a US-led military force to help South Korea police the border, said an investigation into the incident had been launched.

"The incident took place on the northern side and South Korean forces were not involved. The UN Military Armistice Commission is investigating the incident," Coles said.

The commission has overseen a tense truce between the two Koreas since the 1953 Korean War ended in armistice.

Shooting incidents along the inter-Korean border are relatively common, but fatalities are rare.

The defense ministry said that despite North Korea's full resumption of military exercises fol-

lowing Kim Il-sung's death, there had been no unusual moves indicating provocation.

Kim died on July 8, aged 82. North Korea's air force held tactical fighter training exercises on Monday, the Seoul defense ministry spokesman said.

The army and the navy resumed routine training soon after a huge memorial rally was held in Pyongyang on July 20, when the Stalinist state's elite swore allegiance to Kim's 52-year-old son and heir-designate Kim Jong-il.

The spokesman said the North had resumed cross-border Cold War propaganda against the South.

"North Korea resumed broadcasts through loudspeakers near the border to criticize the (South) government, propagate the great-

ness of Kim Il-sung and praise the leadership of Kim Jong-il," he said.

South Korean officials said Pyongyang might convene a meeting of the Supreme People's Assembly (parliament) in the next few days to rubber-stamp Kim Jong-il into the top posts his father held.

The Seoul government is intensifying a drive against pro-North Korean activities by student activists and leftists, which it considers as a danger to the country's democracy, a justice ministry spokesman said yesterday.

He said the government would search out and arrest leftists and those directing activists from behind the scenes and impose heavy punishment to isolate them from society. (Reuters)

Battered London paper gets new editor

LONDON (Reuters) - Britain's Independent newspaper, victim of the crossfire in a vicious newspaper price war, appointed a new editor yesterday.

Ian Hargreaves, deputy editor of the Financial Times, will take over from Andreas Whitman Smith, the paper's founder, in the middle of next month.

Already a veteran of sweeping changes at the BBC, where he headed television and radio news and current affairs, Hargreaves knows he has a tough job ahead to rehabilitate the Independent.

"It's a serious price war," he said in an interview. "Gaining readers in this kind of marketplace is going to be a very demanding task."

The paper has been pushed to the sidelines, the weakest player by far in the escalating battle between tycoons Rupert Murdoch and Conrad Black to grab circulation by cutting prices.

Murdoch's Times and Black's Telegraph have slashed their own revenues as well but both seem settled in for a long struggle which could squeeze the loss-making Independent out.

Israeli in New York strikes it rich with Japanese-English yellow pages

JERRY MARKON
NEW YORK

PERHAPS it could only happen in New York: a 27-year-old Israeli seeks business success publishing a Japanese-English telephone directory for the local Japanese community.

Starting with just \$300 and an apartment that doubled as an office, Jack Elan Nissim threw together a Japanese-English telephone book listing of commercial firms for metropolitan New York that within a year has grown to a company with annual sales of \$1.5 million.

Nissim's "Nichibei Metro-pages" is now on its third issue. Its staff has expanded to 28 from two, and Nissim has rented a 450 sq.m. office in downtown Manhattan to house his growing business.

"I don't know how I did it," says Nissim, a stocky Tel Aviv native with a deep, gravelly voice. An energetic self-promoter, Nissim hawks his product incessantly.

Nichibei Metro-pages is one of two major bilingual Japanese-English business directories in New York, New Jersey and Connecticut. Los Angeles-based Yellow Pages Japan Inc. produces another - and there are several in Japan.

"The Japanese are the perfect market," says Nissim, a fluent Japanese speaker who studies the Japanese martial art of aikido. He explains the Japanese tend to appreciate quality products and

says that once business people gain their trust the Japanese are "great people to do business with."

Nissim is not alone. He is among a growing number of young Israelis who have taken advantage of warming relations between Japan and Israel to travel to the Far East, says Neil Sandberg, director of the American Jewish Committee's Pacific Rim Institute.

Until December 1992, for example, Tokyo supported the Arab economic boycott of Israel. Now, Japanese products are flooding Israeli shops.

Nissim went east after finishing his compulsory service in the Israeli Air Force at age 20. After traveling widely and owning businesses that included a gas station in Australia and an Israeli restaurant in Thailand he spent three years in Tokyo.

When he returned to New York, Nissim saw his big opportunity.

"There was something missing for the Japanese businessman and consumer - a yellow pages (commercial) directory in both Japanese and English."

So Nissim designed a glossy directory that lists not only Japanese-owned businesses but also

selected American businesses and services.

The directory, which first came out in July 1993, includes articles written by advertisers on everything from fighting tooth decay to proving sexual harassment. It even lists public-toilet locations in New York City.

"It's a growing publication, and it has a lot of potential," says Seuky Kim, a market researcher for Amko Advertising, which handles accounts for AT and T Corp. the long distance telephone company. AT and T bought a color ad on the first page of Nissim's winter 1994 edition.

Others, however, wonder if the idea will really catch on.

"Jack is working very hard, but it's easier for me to use the directories that are in Japanese," says Youko Yamamoto, a graphic designer in Brooklyn who is advertising in Nissim's next issue, due out in September. "If I want to check something in English, I use the regular American yellow pages."

Nissim, a bachelor who works constantly, finds his dizzying pace stressful but fulfilling.

"I don't wish what I went through in the last year on anyone," he recalls with a tired grin. "It's been very successful, but it was a real nightmare at first."

"But it's a good nightmare." For all his hard work and promotion, however, some claim Nissim tends to exaggerate his successes.

For example, the back cover of his 400-page directory appears to be an ad for CNN. Nissim insists the global news provider paid \$100,000 for the privilege. But Leslie Beal, a CNN media planner who spoke to Nissim, says the ad was free, a service the company often provides to new businesses.

Also, Nissim, who would not provide documented financial data for his privately held Nichibei Metro Pages Inc., appears to overstate when he says his book is distributed nationwide to more than 80,000 Japanese-owned companies.

"I think that's a ridiculous figure," says Dan Clinton, a spokesman for the Japanese-government sponsored Japan External Trade Organization, New York.

The group's 1993-94 directory lists just 9,168 Japanese-affiliated companies located in the United States. Susan Hirano, executive vice president of Yellow Pages Japan, estimates about 13,000.

But when asked about the discrepancies, Nissim shrugs them off, attributing the difficulties to jealous competitors.

"It's a free country. People can say what they want," he says. "My book is the strongest in my market." (AP)

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L'Oreal and the boycott: A lesson in contortionism

BRETT D. FROMSON and WILLIAM DROZDIAK
WASHINGTON

Other multinational companies in the 1980s, the French cosmetics giant L'Oreal S.A. faced a vexing problem: How could it continue to do business in this country without being blacklisted in the Arab world?

L'Oreal's response to the threat of being blacklisted seems to have depended on how it was listening. The Arab League's boycott office in Damascus, L'Oreal wrote in 1986 that it had stopped cosmetics production in Israel by its recently acquired Helena Rubinstein subsidiary, eliminated the company's long-standing directors and complied with all the regulations of the boycott of Israel.

For the rest of the world, L'Oreal has insisted that it never complied with the Arab boycott and that it continued to do cosmetics in Israel. The tone of the company's letters to the Arab League was "not very nice," a L'Oreal official said, but the letters were "only an appearance. We have not discriminated against anybody."

L'Oreal's contortions in dealing with the Arab boycott illustrate the lengths to which companies went in their efforts to do business in the Middle East. For many of them, the record suggests, business dealings in that region involved

talking out of two sides of their mouths.

Hope that companies might soon escape the legal and moral morass of the Arab boycott grew last September, when Israel and the PLO signed their mutual recognition pact. Arab officials quietly advised Western diplomats that with the Palestinian issue nearing resolution, the Arab boycott of companies doing business in Israel would end soon.

Ten months later, however, the Arab League's Central Office for the Boycott of Israel is still functioning.

US AND Arab officials say that, in reality, the boycott is all but dead. But for companies such as L'Oreal, the repercussions of the boycott years continue.

The US Commerce Department has launched an investigation into whether L'Oreal cooperated with the boycott, sources at the agency said. "L'Oreal is a case of great interest to us," said a senior department official.

According to the official, investigators want to find out whether US affiliates of L'Oreal — including its North American marketing arm, Cosmair Inc. — participated in any effort by the French company to go along with the boycott.

The boycott problem was relatively simple for American firms, because US

law limited their ability to dicker with the Arab blacklists. Specifically, it prohibits a US company or an executive of a foreign company who resides in the US from cooperating with the Arab boycott in any way. Even responding to questions posed by the Damascus office about corporate dealings with Israel is against the law.

That ban was evaded by some US companies, according to government and European business officials. They say these companies would have subsidiaries in the Caribbean or Europe reply to the boycott office's questions for them.

The boycott squeeze was tightest for European companies. As their governments pushed for big contracts in the Persian Gulf to offset the growing cost of oil imports in the late 1970s, European businesses lobbied parliaments against writing laws that would hinder their ability to make deals in the Arab world.

The French parliament, pressured by supporters of Israel, passed a law that subjected French companies to criminal prosecution if they submitted to any condition involving race, nationality or religion.

But the government of then-prime minister Raymond Barre, worried about disrupting France's relations with the Arab world, issued a series of directives that quietly voided the law of its content. French firms were allowed to comply with the boycott office in order to have contracts.

The French ambivalence on the boycott continued after Francois Mitterrand became president in 1981. He initially disregarded advice from his cabinet and honored a promise made to the French Jewish community to reaffirm the anti-discrimination law. But the action caused an uproar in French business circles, and the socialist government made a study and grimly concluded that the law might cost the French as many as 100,000 jobs.

Mitterrand then appointed Claude de Kemoularias his personal envoy to work out a compromise that would enable France to maintain its traditionally strong commercial relationship with Arab countries.

De Kemoularias visited nearly every Arab capital and helped devise a "code of conduct" that would allow French companies to answer questions posed by

the Arab boycott office as long as the firms did nothing that could be construed as discrimination toward Israel.

A secret cell was set up in the Elysee presidential palace, and later in the Foreign Trade Ministry, to assist French companies in replying to the boycott office's questions.

According to knowledgeable officials, the aim was to find language that was sufficiently vague to keep French firms off the boycott list while satisfying the government's condition not to discriminate against Israel.

This French method in dealing with the boycott might have stayed in the shadows except for a nasty legal battle that erupted in 1989 among top L'Oreal executives.

JEAN FRYDMAN, a Franco-Israeli businessman involved in a movie distribution deal with L'Oreal, filed a discrimination suit in France claiming he was forced to resign from the venture in order to avoid offending the boycott officials. L'Oreal officials said Frydman's resignation had nothing to do with the boycott and was related to a business disagreement.

The suit was later withdrawn at the request of Mitterrand, who in return created a commission to investigate L'Oreal's alleged compliance with the

boycott. The commission concluded this year that L'Oreal had cooperated with the boycott, but the company has rejected the findings as incomplete and unfair.

Frydman and L'Oreal have filed additional lawsuits against each other in French and US courts, including one Frydman filed last February in a New York court claiming \$100 million in damages from L'Oreal.

In the suit, Frydman's US attorney, Stanley Arkin, said in a legal complaint that L'Oreal's efforts to keep off the blacklist were masterminded by the head of New York-based Cosmair. During that time, Cosmair's chairman was a former French fascist named Jacques Corze, who was imprisoned for five years after World War II for crimes against Jews and members of the French resistance.

Corze, now deceased, also served as chairman of Helena Rubinstein. Frydman has contended that Corze was behind his ouster. Arkin said in an interview that Commerce Department investigators have requested that he give them copies of any supporting documents in his possession.

L'Oreal has asked a US judge to dismiss the suit and says that Corze was not involved in the company's dealings with the boycott office.

(Washington Post)

Hard-liners police Aden's streets

ADEN — Hard-line Islamists trying to wipe out the memory of 20 years of socialist rule in southern Yemen have stepped in to police the streets of Aden — acting as a scourge for alcohol drinkers and liberated women.

Hundreds of Islam Party members, mostly bearded men with Kalashnikovs, volunteered to help the police maintain order soon after Aden fell to northern government forces on July 7, after two months of civil war.

Some Aden residents have expressed fears that with the defeat of southern Yemen's socialist leaders in the war, the more radical Islamic groups will gain influence in the south.

Some of the fears appear justified.

Since July 7, Aden's brewery — the only one in the Arabian Peninsula — was torched.

Liquor stores have been ransacked and their contents smashed to the chants of Allah Akbar (God is great).

The city's three churches have been attacked, and women say they fear greater restrictions on their rights.

A priest at one of the churches said soldiers had removed two crosses from Holy Family Church, Aden's oldest, in Crater district. It was built 139 years ago.

"We are worried about the fundamentalists. The Interior Ministry sent us guards, but they are not here all the time. We don't know who is in control," the priest said.

Residents said they had heard of at least one man who was picked up and beaten for being drunk.

Aden, a largely secular society after 100 years of British occupation followed by local Marxist rule, has long tolerated drinking and even brewing alcohol.

ASKED if alcohol was officially banned, Lt. Col. Alawi Saleh, head of the police force in Crater district, said: "There is no official decree. We are an Islamic country and Shari'a [Islamic law] is part of our constitution."

"Alcohol is banned [in Islam]," he said.

He said that in Crater, home to most foreigners and consulates before the war, 100 Islam volunteers were helping the police.

"In this police station, we have local unpaid volunteers. They are helping with police duties because of lack of police staff. Most of the volunteers came from Islam," he said.

Asked about reports that men found drunk were being beaten by the volunteers, he said: "We forbade the police to hit anyone even if they were thieves or drunks."

He said the police would now need a search warrant before entering anybody's home to search for alcohol or looted goods.

Salem Mokhaies, head of the local Islam office in the Sira district, said hundreds of volunteers were helping the police keep order.

They also guard hospitals and return goods stolen in a widespread looting that has stripped government offices, homes, shops and institutions bare.

"Our role as volunteers is to prevent theft and maintain security. The volunteers have a major role. We send people to guard hospitals 24 hours a day. We help the police return stolen property," he said.

Haider Abu Bakr al-Attas, who was prime minister of the defuncted breakaway state, said a meeting between north and south would be under UN envoy Lakhdar Brahimi.

"We hope we will lay down the pace for negotiations and dialogue between the two sides," Attas said.



Despite its reputation as a shining light among North African nations, Tunisia has been criticized for human rights violations. (AP)

A dark side to the oasis of North Africa

ELAINE GANLEY
TUNIS

THESE are happy times for Tunisia, a bright sliver of prosperity between two troubled neighbors. The economy is growing. Tourists come. Good news abounds in the local press.

So why are human rights activists in Tunisia wary? Why does the swollen face in the police photo barely resemble the suspect?

Almost like an oasis, this slip of land between Libya and Algeria thrives as a tourist haven, spared most of the grim realities besetting other African and Arab states.

A darling of international creditors, Tunisia is moving steadily from state control toward a market economy. It has average annual growth of 5 percent and a burgeoning middle class. It is a trendsetter in the Muslim world on women's rights and has made education a priority that gets one-third of the budget.

By the end of the century, experts say, Tunisia could join the ranks of developed nations.

But battle scars from a crusade against Moslem fundamentalists and new wounds inflicted in the name of stability mar the idyllic image Tunisians officials paint.

To some critics, this North African nation of gentle smiles and jasmine-scented sun is a picture-postcard police state.

Amnesty International cites torture and arbitrary arrests. It says eight people died under torture in 1991 and 1992.

"One can say there have been serious excesses because people are dead," said Hatem Chaabouni of the Tunisian League of Human Rights. "If you are Tunisian and you speak out against those in power, you can expect to find yourself in jail."

PRESIDENT ZINE EL ABIDINE

Ben Ali gained power in a 1987 palace coup against Habib Bourguiba, the "president-for-life" who had led the country since independence from France in 1956. Tunisia's controlled newspapers still solemnly refer to "the Change."

Opponents of Ben Ali say his promises of greater freedom sputtered after two years, then vanished. They claim he uses fear of Islamic fundamentalists as a pretext for cracking down on all political dissent.

"Mr. Ben Ali doesn't fight fundamentalism, he fights everyone," said former prime minister Mohammed Mzali, now in exile in Europe. "He uses the fight against fundamentalism as window dressing for the West."

Thousands of people were arrested in a brutal campaign to crush the fundamentalist movement En Nahda (Renaissance).

"The page of fundamentalism has been turned in Tunisia," Information Minister Fethi Houidi said, "but we must remain vigilant."

Officials say ambitious education reforms and efforts to improve conditions for women are intended to counter fundamentalism. Schools teach French instead of Arabic and veils are forbidden in government offices.

"We consider ourselves a democracy," Houidi said. "We are for pluralism, including information."

But several people were arrested in a three-month period for reasons Amnesty says were political.

THEY INCLUDE Moncef Marzouki, former president of Tun-

sia's human rights league, and Abderrahmane El-Hani, head of an obscure Arab nationalist party, who had announced their intention to run for president in March elections. Authorities insist there was no connection between the arrests and the men's presidential aspirations.

Two French newspapers were banned for alleged bias. A correspondent for the BBC was expelled and the Kuwait News Agency temporarily closed.

To justify the pluralism case, authorities point to March elections. The ruling party gave the opposition 19 of 163 National Assembly seats. The ruling party had held all the seats since 1956.

Ben Ali was the only candidate for president and got 99.9 percent of the votes.

In Tunisia "there are no discordant voices," said Mokhtar Trifi, a lawyer for Marzouki. "During the elections, it was the element of fear functioning."

Much of the fear centers on the Interior Ministry.

According to Amnesty, torture has taken place inside the ministry building, a sinister edifice with barred windows on the city's convivial main thoroughfare.

"I see people with injuries, with the nose deformed," said Radhia Nasraoui, a lawyer who specializes in what she calls political trials. "I saw a client recently and I cried."

NASRAOUI's husband, Hamma Hammami, is a torture victim, his lawyers say.

Hammami, head of the illegal Tunisian Communist Workers' Party, was arrested February 14 after 18 months in hiding. He had

been convicted in absentia and sentenced to more than nine years in prison on charges ranging from carrying a false identity card to running an illegal organization.

At the end of June, courts reduced his total remaining time to one year. Amnesty had demanded Hammami's release as a prisoner of conscience.

In a police photo, Hammami's swollen face bears little resemblance to earlier snapshots. His lawyers say he was tortured in Sousse, where he was arrested, and at the Interior Ministry.

A statement by Hammami and his lawyers "gives a detailed description of physical and psychological torture, including threats of rape and death."

Authorities admit that some prisoners have been tortured to death, but Houidi maintained that the cases were isolated and that those responsible were punished.

"I can guarantee torture does not exist in Tunisia," the minister said. "We have nothing to hide."

What is the truth? Tunisia's vulnerable position between two unstable countries may partly explain the glossy official version of reality.

Libya is unpredictable and Algeria is a tinderbox. If the Islamic insurgency in Algeria spreads, it would devastate Tunisia's tourist industry, one of its chief resources.

Some in the professional class, which thrives because of Tunisia's drive to modernize, are caught in the middle.

"When people can't express their point of view, sign a declaration, things are clear," Nasraoui said. "It means the government doesn't accept differences."

"I risk going to prison for saying this regime isn't democratic. I know I'll be arrested one day." (AP)

The time was ripe for Hussein's move

JAMAL HALABY
AMMAN

KING Hussein's decision to meet publicly with Israel's prime minister in pursuit of peace reflected his desire to resume a key role in regional politics and a fear of being isolated as other deals are made.

Hussein has been holding clandestine meetings with Israeli leaders since assuming power in 1953, so Monday's summit in Washington was only a matter of timing. And the time seemed ripe.

After the Palestinian deal, Jordan found itself sidelined. Its importance in the peace process had formerly been linked to the Palestinians, whom it once ruled.

Israel's next top priority was negotiating a peace with Syria, which Jerusalem views as the most substantial threat.

Jordanians began to fear that their crack at peace might be shelved until Israel felt like returning to the negotiations — on its own terms, thought Jordanians — after making peace with Syria.

Were that scenario played out, Jordan realized there would be little hope of gaining economic fruits from the peace process or winning the return of territory and water rights it claims.

Hence, Jordan agreed in June to the talks in a test straddling the border. The meeting, held last week, was the first public visit to running an illegal organization.

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with each party going it alone," said Labib Kamhawi, a respected Jordanian political analyst.

Also motivating the king was a desire to patch up relations with the US after Hussein's perceived tilt toward Iraq during the Gulf war.

Furthermore, Amman believes peace will stimulate its stagnant economy and bring foreign investment as well as joint ventures with Israel in industry, trade, banking, tourism and civil aviation.

The king, whose relations with many oil-rich Gulf Arabs were strained by the Gulf war, is eager for US political backing in a region where turmoil and upheavals have rocked many governments.

Hussein told his mostly Beduin army officers, who form the bedrock of support for the monarch's Hashemite dynasty, that Jordan must make peace with Israel because it no longer has dependable Arab allies to protect it.

In remarks on July 9, the king also said the collapse of Arab unity after the Gulf crisis had left the kingdom "susceptible to fragmentation."

In its negotiations with Israel, Jordan is seeking the return of some 380 sq. km. of land it says it lost in the 1948 war. It also wants its "fair" share of water from the Jordan and the Yarmouk rivers.

Jamal Shaer, a former cabinet minister, said a swift settlement with Israel could enable Jordan to secure its claims.

"Peace is coming sooner or later," he said. "We'd better make it sooner, because the Israelis are enthusiastic for peace and are willing to recognize our legitimate water and territorial rights."

The return of these rights would go a long way toward stifling opposition by Moslem fundamentalists and leftist groups.

(Associated Press)

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Abu Meidin: Palestinians should sue for Erez losses



ARAB NEWS DIGEST

FUREIH Abu Meidin, who has been appointed head of legal affairs for the Palestinian Authority, said that demands by Israel for compensation from Palestinians for the damage caused at the Erez checkpoint

riot are unacceptable.

Abu Meidin said figures on the cost of the damage presented by the Israelis are not accurate, especially those on the numbers of buses which were burned — bearing in mind that dozens of buses were destroyed during the intifada.

Abu Meidin said a large number of scrapped buses, as well as very old ones, had been at the checkpoint.

Instead of suing for compensation, he said, the Israelis should pay attention to the causes of the conflagration. He said the Palestinian Authority should sue the Israeli government for the damage

suffered by the Palestinians.

(Al-Quds, Jerusalem, July 20)

SEVERAL MEMBERS of the Palestinian assembly have prepared a draft declaration opposing any meeting of the Palestine National Council in Gaza to drain the Palestinian Charter of its content regarding the struggle and its Islamic and national patriotism, *Al Magad* reports.

Knowledgeable sources say that this public statement — marking a first step in opposing Arafat's policies — will be presented to members of the PNC, the central committee, statemen, economists,

spiritual leaders and public officials worldwide who will be asked to sign it. It will form the basis for all popular activity in the near future.

(Al-Magad, Jordan, July 18)

THERE IS a clear move for the Assembly of Egyptian Doctors to support a call by its chairman, Dr. Hamdi Alsaid, to prevent members of the organization from visiting here.

In his warning, the chairman proposed that any member violating the ban should be tried for breaching the bylaws of the organization.

(Shark al-Awsa, London, July 10)

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Elections now

AFTER scoring an impressive diplomatic triumph in Washington, performing his second historic handshake with an Arab leader, and addressing a joint meeting of the US Congress, Prime Minister Yitzhak Rabin may be forgiven for expressing impatience with domestic coalition politics.

His reasons for trying to broaden the governing coalition are as clear as they are commendable: he wants a clear Jewish majority in the Knesset to back his next moves. No one knows better than Rabin that for all the glory and satisfaction associated with the Washington events, the toughest part of the negotiations is still ahead.

To conclude momentous agreements as the head of a minority government may be perfectly legitimate, but it is risky and unwise. The nation must feel that historic steps are taken only with the support of a decisive majority. One of the main reasons for the popular acceptance of the Camp David accords and the peace treaty with Egypt is that they were supported and approved by a large Knesset majority.

Nor is it fair to suggest, as some on the left have done, that there is something undemocratic about Rabin's reluctance to rely on the votes of Arab parties for a majority. The decisions the government must make in negotiations with its neighbors will affect the character and future of the country as a Jewish state and a Zionist enterprise. It is only natural for Rabin to want a majority of Jews and Zionists in the country to support it.

Unfortunately, the Knesset is so polarized over the government's policies that broadening the coalition is an almost impossible task. When the Tsomet party split, Rabin thought the more dovish three-member offshoot - the Yit'ud faction - would be a natural coalition partner. But as negotiations with Yit'ud proceeded, it became clear only two members would join, and only if they got ministerial positions. Now the High Court has ruled that the law which forbids shifting sides in the Knesset for political rewards applies to factions as well as individuals. The Yit'ud members are thus ineligible to join the government.

Rabin also wants the six-member hardi Shas party to rejoin the coalition. But Shas demands a government commitment to circumvent through legislation any High Court decisions Shas may oppose. The demand, a cynical stratagem which would make a mockery of the law, has proved a serious obstacle. It exceeds what several members of the Labor party and virtually all Meretz mem-

bers are willing to accept even for the sake of the peace process.

In frustration, Rabin said in Washington on Monday that the law which prevents Yit'ud from joining the government was formulated by "dumb Knesset members" and should be amended. Picking up on his signal, some of his party colleagues have already begun to make the necessary legislative moves. But for Rabin to encourage these moves would be a mistake.

The fact is that the three members of Tsomet who defected represent no one. They are political nonentities who were elected strictly on the Tsomet party platform and on the coattails of its leader Rafael Eitan. They have no right to "steal" their Knesset seats from their party, and even less right to serve as ministers. It is precisely this kind of opportunism and abuse of the proportional representation system that the law is designed to prevent. It must not be amended.

Nor can members of the Labor party and Meretz who oppose the agreement with Shas be faulted. In refusing to approve agreements which circumvent the law they serve the cause of good government. If Rabin wishes to gain public confidence by broadening his coalition, mocking the law is the last thing he should do.

The alternative is both simple and preferable. Rabin should call for early elections, the sooner the better. He is now at the peak of his popularity. The Gaza/Jericho part of the agreement with the PLO, despite a few glitches, is working better than expected, and the agreement with Jordan is popular with virtually everyone. More important, the public now knows where he is headed. There can be no complaints about misleading campaign propaganda. The government's plan has been exposed for all to see, and if Rabin wins the election now, he will have a mandate to do precisely what he wants to do.

An election would also rid him of most of the coalition headaches. Chances are that the nation is still split more or less down the middle. But under the new election law, which provides for the direct election of the prime minister, even a tiny popular majority will enable him to form a stable government and rule with unprecedented executive freedom for the next four years.

Confronted with momentous decisions, the nation must express its will. A referendum after the negotiations are concluded is no substitute for a general election to determine who should lead the country at this fateful time.



Two out of three ain't bad...

US's dollar diplomacy

WHILE the Israeli suitor has displayed commendable ardor, the Jordanian end of the courtship appears to view matters more realistically.

The emerging agreement is a marriage of convenience, encouraged by a generous American dowry.

Israel doesn't appear perturbed by the fact that we have entered a new age, in which American aid lubricates the wheels of diplomacy. The typical response has been: "What, we worry?" - as long as the Americans are footing the bill. But a peace process increasingly predicated on American financial assistance could encumber the American-Israeli special relationship and, eventually, the peace process itself.

Consider accelerating American financial involvement in our region.

The process of turning the PLO from poacher to game warden is to be accomplished by a massive infusion of international assistance, a large chunk of it American.

Israel has agreed to negotiate a division of water resources with Jordan. Water, to paraphrase Shimon Peres, is like the World Cup; if Jordan gets more, Israel gets less. The joker is desalinization, and that will require a check endorsed by Uncle Sam.

Shimon Peres and Yitzhak Rabin are interested in a comprehensive peace which will, perforce, include Syria. The price tag will, at best, be a staged withdrawal from the Golan. Rabin will require sweeteners - including guarantees, arms and resettlement packages - to sell the deal to the Israeli public. There is only one prospective sugar daddy in the wings, and he is an American.

Rabin and Peres have invoked the unfortunate Sinai precedent to

AMIEL UNGAR

prepare the public for total withdrawal from the Golan. Assad won't settle for less than Sadat, and will insist on every last grain of sand. The same, however, will be true of American financial assistance.

Egypt has been a major beneficiary of US aid, enjoying parity with Israel. Arafat has gotten wampum, Hussein has gotten a debt write-off, plus a promise of additional aid in the future. It is a sure bet that Assad will insist on similar American largesse.

BUT CONGRESS is increasingly unenthusiastic about foreign aid levels, particularly the disproportionate amounts earmarked for the Middle East. Israel will be increasingly forced to lobby Capitol Hill for aid to Gaza and Amman, rather than for its own needs.

Another overlooked issue is that arms sales generally follow in the train of economic assistance. Americans may be generous, but they like to see some of their money recycled in terms of orders and jobs for Americans.

After Camp David, Egypt received access to first-line American weaponry. Hussein is going to receive the same, and someone may want to wean Assad from his dependence on former East Bloc hardware.

This trend will offset Israel's qualitative edge, pushing it into even more probatively expensive hardware. Israel would have to approach the Americans for further assistance to meet this challenge.

Israeli policymakers are betting that US policymakers and legislators will consider stability in our region a bargain, whatever the attendant costs in aid. This bet should be hedged by a number of considerations.

Americans may not always adopt the outlook that it is "only money." They were quick to pass up Prof. Jeffrey Sachs's "Grand Bargain," when the Harvard professor implored the West to extend massive aid to Mikhail Gorbachev and Boris Yeltsin. Stable conditions in a nuclear superpower affect American security no less than peace in our region.

The American public is increasingly voicing its concern that American domestic needs be met before global needs.

Though Peres and Rabin are clearly counting on an American undertaking like that of the successful Marshall Plan, a massive aid package that brought stability to post-World War II Europe, and cannot overlook the failed Dawes and Young Plans of the 1920s.

The US helped Europe recover after World War I, but pulled its capital out when the Great Depression struck. Europe was plunged into economic crisis. This helped the totalitarian parties, most notably in Germany.

American economic largesse can help jumpstart a peace process. But it shouldn't be viewed as a reliable, long-term power supply that can indefinitely sustain that process.

The writer teaches political science at Bar-Ilan University.

Politics of pity

MILTON VIOSI

THE governments of Bangladesh would have better that if Islamic extremists try out their threat to assassinate Tashma Nasrin, who is said to have made a blasphemous remark about the Koran, then she may have it coming to her.

Nasrin, a 32-year-old Bangladeshi, is a writer whose writing has offended conservative Bangladeshis. In 1990, she was awarded a bounty of \$10,000 on her head by the government, far from punishing her, is searching for her to subject her to its own insulting religion.

Earlier this month, the Bangladeshi ambassador to Washington denied that his government was seeking Nasrin, was opposed to fundamentalism. He admitted, however, that "she is being raised making threats punishable by death." In fact, his government is considering a law.

The headline fundamentalism whose antithesis has been steadily in the Islamic world, defend their anathema toward Nasrin with the claim they are upholding the purity of their faith. In fact, Islam has lived very nicely for 1,300 years without imposing a death penalty for blasphemy, and it is a pity that less than 100 years after its literary foundations, it has become a religion of persecution.

A witch hunt in the name of Allah

WHETHER IN Bangladesh or elsewhere in Islam, the fundamentalists are not to much promoting piety as seeking political power. In contrast to the tolerance of the Koran, they have shaped their own doctrine, calling it the "true" Islam. Self-righteous and mean-spirited, it contains a strain of violence that threatens to undermine all of Islamic society.

This violence is directed not simply - perhaps not even predominantly - against the body. This extremism targets its terrorism on the mind, seeking to keep Islamic society in the intellectual backwardness where it has stagnated for centuries.

In 1992, extremists killed Fawaz Foda, one of Egypt's creative Islamic thinkers. In Algeria, they have murdered scholars and poets. In Turkey, their target has been outspoken journalists. Their success can be measured by the silence of Muslim intellectuals in Nasrin's case, and earlier in Salman Rushdie's.

No doubt the secular politics that the fundamentalists deny has been a disappointment to Muslims. In the decades since decolonization, the governments of the Islamic world have been overwhelmed by the problems of overpopulation and underdevelopment, which they have aggravated by their own incompetence and corruption. The need for a new vision is obvious; the fundamentalists have been quick to seize the opportunity.

What they offer, however, is little more than a slogan: "Islam is the answer." Meanwhile, they have no economic program to confront the problems, and while demanding elections, they acknowledge that they will suppress democracy as soon as they take over. Society needs to punish Nasrin's impiety, they say; but would Bangladesh, long pined for its intractable poverty, be any better off after she is gone?

The Bangladeshi ambassador said that what his country does with Nasrin is none of the world's business. But the UN Declaration of Human Rights affirms her right to free thought and expression, and the world can hardly accept the fundamentalists' claim that their harsh view of Islamic law supersedes it.

Support for human rights is a pillar of American foreign policy. But in dealing with Islamic extremism, the Clinton administration has adopted a notably low profile. Does it hold that Nasrin's rights are of a lower order than the rights of dissenters to totalitarianism?

Some Islamists have argued that the West, since the Soviet fall, has made fundamentalism its new bogey. Such a claim begs the issue. The quarrel involved here is not with religion or its interpretation. It is with the sanctimony that the practitioners of extremist doctrines have adopted to justify barbarous acts - like encouraging the murder of Nasrin.

The damage that Islamic extremism can inflict is not limited to Muslims. Human rights and democracy are an uncertain vision in dozens of countries. Triumphant extremism in Islam can inspire a worldwide rise of terror that undermines these values everywhere. The reverberations of the Nasrin case go beyond the borders of Bangladesh. They should be a warning to all of us.

The writer is author of *Sandwiched: The Arabs in Search of a Modern World* (Knopf, 1994). (Los Angeles Times)

LETTERS TO THE EDITOR

THREE-RING CIRCUS

Sir, - As one who has begun to subscribe to your paper again, I must compliment it on its improved style. I appreciate, as a breath of fresh air, seeing so many varying ideas printed on so many issues.

The one thing that hurts me deeply is that Israeli politics has literally become a three-ring circus. The least insult between two right-wing party members causes a new party to be formed. Then other fights between right-wing members of a party can cause a member to threaten to join the Rabin coalition. This, in turn, aggravates a party on the left which threatens to leave Rabin's coalition. I haven't seen such disgraceful behavior since I was a child and the *shul's*

officers (ghetto-born and raised) of my grandfather's congregation would turn from humans to *behaymas* at board meetings. The *shul* isn't a place for *behaymas* and the Knesset is not a place for circus clowns.

With Arafat calling for peace in once place and jihad in the next, we Jews must sober up. Instead of petty politics let us see some unity for a change. If Arafat "decides" to break the "peace" with Israel, he will hurt all Jews, those to the left, those to the right, those with beards to their navels, and those who act like *behaymas*. Dear 120 clowns, wake up before it is too late.

JERRY (YOSEPH) SNELL
Providence, R.I.

DIRECT ELECTIONS

Sir, - Despite the direct election of the mayor, or perhaps because of it, Teddy Kollek was defeated by a coalition of Ehud Olmert and the hardliners on terms they could dictate. Those who advocate the direct election of the premier in the illusion that this would weaken the bargaining power of the religious parties should ponder this. They could, if they would, make their support conditional on the party nominating a candidate acceptable to them. They could demand the No. 2 position. Their support will still be needed in the

Knesset to transfer policy into legislation.

While the two blocs are divided on major national policy and neither can command a decisive majority, the influence of smaller parties which can support either bloc is enhanced. This is in no way weakened by changing the electoral law as long as we remain a democracy. The only way to reduce their influence is to win a substantive majority of public support for the policy favored.

Jerusalem. KENNETH L. COHEN

VOTER REGISTRATION IN BRITAIN

Sir, - May I remind British citizens who have left the UK within the last 20 years that they can register as overseas electors and vote in British parliamentary elections? The present parliament is already halfway through its life and an election within the next two years is a distinct possibility. British citizens who complete a voter registration form before October 10 will be on the electoral roll for 1995/6.

British readers of *The Jerusalem Post* who want to avoid a return in Britain to life under a socialist government should register without delay. Voter registration forms are available from British consuls and by writing to me at Conservatives Abroad, 32 Smith Square, London SW1P 3HH, stating the number required.

MICHAEL COLVIN, MP
London.

INDUSTRY'S RESPONSE

Sir, - Allow me to respond to Neil Cohen's article (J.P., July 15th) "Look after your own Mr. Propser."

I have attacked the monetary policy of the Bank of Israel for almost a year now. The reason for this is that, in the Bank of Israel's obsession with inflation, it is forgetting that there are other factors in the Israeli economy which are not only neglected but even harmed by the current monetary policy.

I believe that it is my task, as the president of the Manufacturers Association and as chairman of the Federation of the Israeli Economic Organization, to point out to the government and Bank of Israel where their policy seems to be wrong and what should be done to rectify it. Israeli industry is not only the locomotive of the Israeli economy, but is also affected by wrong decisions which should be corrected.

As to Mr. Cohen's comment on the "irresponsible managers who invested their companies' liquidity in the stock exchange," I must say that I totally agree with the opinion that companies' liquidity should not be invested in high risk stocks, but I believe that every manager should make his own decision and take full responsibility for the outcome of his deeds. It is not only investment in the stock exchange but any other investment that should be on the board's table when the directors of the company come to judge the manager's performance.

As the president of the Manufacturers Association, my main concern regarding the stock exchange is to keep it strong and healthy as an instrument to raise money for industrial purposes for the benefit of Israel's economic growth.

DAN PROPPER

Tel Aviv.

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The US tobacco road was paved over in silence

American scientists who were hired to devise a 'safer' cigarette were silenced by the tobacco industry for more than a decade, Myron Levin reports



A US cigarette manufacturer facing lawsuits over smokers' deaths closed its research center and fired scientists who were investigating the hazards of cigarette smoking. (Robert Cohen/AGIP)

I wasn't like entering the Peace Corps, but Victor DeNoble hoped to do some good when he joined the tobacco industry.

One year was 1980 and DeNoble, then a 30-year-old Ph.D. in experimental psychology, accepted an offer to run a secret pharmacology lab for Philip Morris Inc., maker of Marlboro and the world's largest cigarette manufacturer.

DeNoble was to do research on nicotine's effects on the behavior of rats. But the ultimate goal, he said, was the development of synthetic forms of nicotine that would reduce the risk of cardiovascular disease — which kills more smokers than lung cancer.

Neither a smoker nor particularly fan of the tobacco industry, DeNoble nonetheless said he was intrigued by the chance "to study a very mysterious drug" and make a contribution to society. There would always be millions of smokers, he believed, so it made sense to reduce their risk of cardiovascular disease — which kills more smokers than lung cancer.

But, within a few years, the tobacco wars invaded DeNoble's doorstep at the Philip Morris research center in Richmond, Virginia.

Like the other US tobacco giants, Philip Morris suddenly found itself facing a wave of smoker-death claims. And as it girded for legal battle, DeNoble's research lab was a serious liability.

DeNoble had joined an industry deeply ambivalent about such research — and fearful of what might happen should word of it get out. "Plaintiffs' lawyers might seize upon the work as a tacit admission that smoking was addictive and dangerous. Having disputed these contentions for decades, the industry could not afford to be caught acting as if it believed them."

Philip Morris — which declined to respond to questions about

DeNoble's research or otherwise discuss this story — abruptly shut the lab in April 1984. DeNoble was called in, congratulated on his fine work and told to turn in his badge.

Returning to retrieve something a few days later, DeNoble was amazed to find no sign that the lab had ever existed.

"Everything was gone," he recalled. "The cages were gone, the animals were gone, all the data was gone. It was empty rooms."

During several months of job hunting, Philip Morris carried DeNoble and fellow scientist Paul C. Mele on its payroll. But the company also muzzled them, threatening legal action should they publish their research.

A DECADE passed, and the episode might have been buried forever, had word not reached the House of Representatives' health and environment subcommittee.

DeNoble and Mele told their story — opening a window on an industry that painted itself into a corner and did not know how to get out.

Despite their unstinting attacks on the evidence against smoking, cigarette makers have behaved in private as if they knew better. Internal documents produced in lawsuits and leaked from tobacco company files reveal a preoccupation with developing "safe" — or at least much safer — cigarettes. It was this quest that brought DeNoble and Mele to Philip Morris.

Besides the obvious health advantages, a safer cigarette made good business sense. After all, smokers who quit or die cease to be good customers. But what the industry would do if it found what it sought was a bit problematic. Here, tobacco-company scientists and lawyers were not always on the same wavelength.

Industry lawyers knew that the "safe" cigarette, if one could be developed, was a legal and financial minefield. What if they found one but it bombed in the market-

place? Would health agencies or Congress, seeing safer smokes were possible, nevertheless require the companies to modify their top-selling brands?

And what of the lawsuits that threatened to engulf the industry? As part of their successful defense, the cigarette makers had contended there was no scientific proof that smoking was dangerous and that any risks that might exist were inherent in the product and beyond their control. A "safe" cigarette would appear to contradict such claims.

Still, internal documents show the companies busily sought the magic bullet.

During the 1960s, '70s, and '80s, they investigated various additives, catalysts and tobacco substitutes. Some of these proved superior to regular cigarettes in the standard cancer test, which involved painting the skin of mice with tars from tobacco smoke.

The experimental cigarettes were euphemistically described as having reduced "biological activity" — meaning they produced fewer tumors on the skin of the mice than commercial brands.

Some advances were not meant to be offered to consumers, unless

political or competitive pressures required them.

In a 1985 memo, a Brown & Williamson Tobacco Corp. vice president said a prototype cigarette that delivered less carbon monoxide had been kept "ready" in the event of a marketing need for such product. "But," he wrote, "right now, we do not see any pressures coming from either government agencies or consumer groups." Brown & Williamson officials declined comment.

BY THE time Victor DeNoble arrived in Richmond, tobacco companies understood the importance of nicotine to their business.

"They [Philip Morris] clearly believed that nicotine was a psychopharmacological agent, and it was the main reason that people smoked," DeNoble said.

Sir Charles Ellis, scientific adviser to the board of directors of British-American Tobacco, declared: "We are in a nicotine rather than a tobacco industry," according to a 1967 document leaked from Brown & Williamson and recently cited before Congress.

In a colorful memo in 1972, Philip Morris psychologist Wil-

liam J. Dunn Jr. — who eight years later would be DeNoble's supervisor — was equally blunt.

"Think of the cigarette pack as a storage container for a day's supply of nicotine," Dunn wrote. "Think of the cigarette as a dispenser for a dose unit of nicotine."

Apart from its habit-forming properties, however, nicotine also is a health hazard.

"The Cardiovascular Effects in smoke are believed to be mainly due to nicotine and have been thoroughly explored in literature," said a 1963 memo by Philip Morris research director Helmut Wakeham — which, like the Dunn memo, later was introduced in court.

So Philip Morris set about developing nicotine analogues — compounds that would have the effects on the brain of nicotine without the cardiovascular effects.

DeNoble's role was to study nicotine's effects on the behavior of rats. These results would guide the testing of the analogue compounds. He recruited Mele, a behavioral pharmacologist.

They found that nicotine met two hallmarks of potential addictiveness: "self-administration," in

that rats would press levers to inject themselves with a nicotine solution; and "tolerance," in that a given dose of nicotine over time had a reduced effect.

The work was to remain secret even from fellow Philip Morris scientists, DeNoble said; test animals were delivered at dawn and brought from the loading dock to the lab under cover.

Still, it seemed as though "the company was truly interested in investigating their product [and] improving it," Mele recalled. "They seemed to want to know about it with a kind of no-holds-barred attitude." That changed by 1983.

Several wrongful-death claims had been filed against tobacco companies, and dozens more were on the way. Nicotine dependence was a crucial issue in these cases. Although tobacco lawyers argued that smokers had ignored warning labels and accepted the risk, plaintiffs claimed they were hooked. The US surgeon general would pronounce nicotine addictive, but that was five years away.

With the litigation heating up, DeNoble was called to Philip Morris' New York headquarters in June 1983 to brief top executives on his work.

He recalled one asking, "Why should I risk a billion-dollar industry on rats pressing levers for nicotine?" My comment was, "I have no idea," DeNoble said.

There was talk of killing the research or moving it outside so the company would be freer to disavow the results. One scenario had DeNoble and Mele leaving the payroll and continuing as contractors, DeNoble testified to Congress. Another involved shifting the work to a lab in Switzerland.

EARLIER THAT year, the company had approved DeNoble's and Mele's request to publish some of their data; their paper had been accepted by the journal *Psychopharmacology*.

DeNoble was told in August to withdraw the article, which he did with a letter to journal editor Herbert Barry III.

"The company didn't want their own scientists to be publishing information that would indicate that nicotine was an addictive drug [or] that it was harmful in any way," Barry said.

Withdrawal of the paper coincided with the filing of the landmark Cipollone lawsuit in New

Jersey on August 1, 1983. A long-time smoker, Rose Cipollone had contracted lung cancer.

Before her death at 58, she sued Philip Morris and two other companies whose brands she smoked.

The case ultimately produced the first verdict against a tobacco company — a \$400,000 judgment against Liggett in 1988 that was overturned on appeal.

Philip Morris and Lorillard Inc. were found not liable — in part because jurors did not believe allegations that Cipollone was hooked or that the cigarette makers had deliberately concealed information about nicotine addiction.

Then in early April 1984, DeNoble said, he was called into the office of his boss, Jim Charles, manager of biochemical research.

DeNoble previously had been promoted to associate senior scientist, and when Charles began by extolling his work, DeNoble thought he was about to be promoted again.

Then the bombshell: It was strictly a business decision, but the lab would be closed.

In the world of scientific research, good jobs are hard to come by, and the first concern of DeNoble and Mele was how to make a living. Philip Morris paid their salaries for months until they found new jobs.

Over time, however, the men grew frustrated and angry about suppression of their data.

Years passed, and the story might never have been revealed. But it came to light earlier this year, when the Food and Drug Administration announced it was considering regulating nicotine as a drug.

Jack Henningfield, chief of clinical pharmacology for the National Institute on Drug Abuse, belonged to some of the same professional societies as DeNoble and had been told in 1983 about the squelching of the data.

In March, when FDA Commissioner Dr. David A. Kessler mentioned a rumor that a tobacco company had done nicotine self-administration studies with rats, Henningfield recalled the incident and told Kessler about it.

At the subcommittee's request, Philip Morris waived the secrecy requirement, and DeNoble and Mele agreed to appear. Their testimony helped fan the firestorm of criticism that has engulfed the industry this year.

(Los Angeles Times)

Dissenters in Nazi Germany: A whisper in the Third Reich

BOOKS

MEIR RONNEN

THIS month marks the 50th anniversary of the abortive bomb plot against Hitler. For the occasion, Westview Press of Boulder, Colorado, has brought out four new translations of earlier books by and about the conspirators and other anti-Nazis. It has used the opportunity to publish them under the general title of *Der Widerstand*, which presents yet another look at active dissent in Nazi Germany.

There wasn't very much. Fabian von Schlabrendorff, from the outset of Nazism an active opponent (he escaped death when his judge, the notorious Roland Freisler, was killed in the courtroom during an air raid), records the lack of other activists.

In his *The Secret War Against Hitler*, he divides Germans of the Third Reich into three groups — the Nazis, the non-Nazis and the active dissenters. The non-Nazis were by far the most numerous, but even if many of them were appalled by the Nazis, they went along with them.

Schlabrendorff despised this group as much as the Nazis. "At least with the Nazis, you knew where you stood."

The active dissenters, he noted, were pitifully few.

History has not been kind to them. Many Germans still view them as traitors or at best with mixed feelings. Western historians, who have picked over all their books and diaries, tend to treat them as motley groups, not truly connected with each other, of reactionary conservatives, bumbling high-minded aristocrats, disaffected generals and ineffectual social democrats.

Anedore Leber in her *Con-*

science in Revolt — *Sixty Four Stories of Resistance in Germany 1933-45*, adds another small grouping — individuals, some of them Jews, who could not allow themselves to desert Germany or act against their religious or social principles and who paid for their stubbornness with their lives.

Then there were otherwise quite passive resisters who were denounced by friends or colleagues for passing an innocuous anti-Nazi remark, for which they were speedily sentenced to death. Some were horribly tortured, others beheaded.

Here too, the numbers are small. The 64 thumbnail sketches include all the main figures of the various resistance circles. Their story is briefly and therefore less well told than in Schlabrendorff's book or Eberhard Zeller's useful overall study of the various dissenters, *The Flame of Freedom — The German Struggle Against Hitler*.

THE POSTWAR Germany envisaged by some of the active plotters was a high-minded alternative to Nazism, but would not have appeared to democrats today. It would have been headed by conservative rightists like Leipzig's Mayor Carl Goerdeler and General Ludwig Beck.

Closest to them was Ulrich von Hassell, a self-retired diplomat since 1937 and diplomatic adviser to the plotters from 1938 (he was executed in 1944), who wrote in his secret diary, published as the fourth book in the *Der Widerstand* series, *The Von Hassell Diaries — The Story of the Forces Against Hitler Inside Germany, 1933-44*, that one could not depend



Erwin von Witzleben: early advocate of a coup d'état, hanged in August 1944.

upon the military.

"These generals would have the same government they wish to overthrow give them orders to do so," he wrote. In the end, he noted, most of them placed a higher value on their profession and its rewards than on moral courage, of which they possessed very little.

After von Hassell was killed, his wife and daughter were sent to various concentration camps. Somehow they and the hidden diary survived. The only book about top Germans and Nazis written from the inside as events unfolded, it is a gripping read.

Von Hassell's acid comments chiefly give a vivid picture of the Third Reich in decline and demonstrate that, from the outset, there was no real unanimity of opinion among the Nazi leaders, not about invading Poland nor

even about the level of persecution of the Jews.

Von Hassell was close to the liberal relatives of both Goering and the Wehrmacht commander Brauchitsch. From them he learned that Goering, a real antisemite, was disgusted by the Kristallnacht pogrom instigated by Goebbels and Hitler, but, being totally dependent on Hitler, refused to protest.

Interestingly, von Hassell records that Hess was totally depressed by the pogrom and the disenchantment of a considerable number of early enthusiastic supporters of National Socialism set in following Kristallnacht.

That the Germans knew exactly what was happening to German and other Jews after the invasion of Poland and later of Russia is made clear time and time again by von Hassell, who records how even some SS men returning from murder actions requested a transfer to the front. He also confirms that Wehrmacht officers, after some hesitancy, complied with orders to kill large numbers of Russian civilians, including women and children, in reprisals for partisan raids.

The bomb plotters wanted Field



Fabian von Schlabrendorff: escaped with his life through a series of near-miracles.

Marshal Kluge and other generals in Normandy to let the Americans and British into Germany without a fight, while holding off the Russians.

Had a new non-Nazi German government been formed, the Cold War would have started much earlier and more dangerously. But even if it had, Stauffenberg's bomb had killed Hitler, it is unlikely that the Allies, anyway on the verge of victory, would have settled for anything less than unconditional surrender, in concert with their Russian ally.

The abortive putsch had anyway come too late. And there is no certainty that it would have succeeded even if Hitler had been killed.

Some of the most convinced dissenters did not want a putsch at all. Count Helmuth von Moltke — host of the Kreisau circle who was executed by the avenging SS — wanted to see his beloved Germany brought down so that militarism would be doomed forever. The last thing Germany needed, he noted was a scapegoat.

The count's idea was right. The world can be thankful that the putsch failed. But there is one great regret — the war was prolonged long enough for masses of more Jews to be killed and untold numbers of soldiers in all the armies to be added to the casualty list.

No, there wasn't much resistance to Hitler, but those who did resist and were executed, some after horrible torture, were a remarkable and extraordinarily courageous set of human beings.

Some were senior officers who had the courage not to hide behind their oath of allegiance to Hitler. Several were generals horrified at Germany's treatment of its Jews.

Most of the civilian plotters were patriotic veterans of World War I. A number were Protestant pastors or staunch Catholics whose Christianity was something to be lived at all costs. Some were Jews in the vanguard of the German labor movements who had been wounded in World War I fighting for the Fatherland.

These outstanding German men and women could all have saved their lives by compromising their beliefs. They did not.

Yet their stand, recorded in these four books, is not so much a vindication of the good German as a permanent reproach to Germany's non-monolithic but silent majority.

(Each of the books in the *Der Widerstand* series is published at \$24.95.)

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BUSINESS & FINANCE

WEDNESDAY, JULY 15, 1992

Bank of Israel raises rates to 12.5%

JOSE ROSENFELD

THE Bank of Israel announced yesterday it will raise interest rates half a percentage point on Thursday to combat inflationary tendencies which are spreading beyond housing and fruit prices.

The move will bring interest rates on the central bank's daily loans to commercial banks to 12.5 percent, an increase which will be passed on to the banks' customers.

Many expected the rate hike after June's Consumer Price Index shot up by 1.4%, but were not sure how strongly the central bank would react.

Bank of Israel officials justified the moderate rate increase on the recent flare-up of inflation and, in particular, the 1.4% jump in prices last month compared to only 0.2% a year before. In addition, not only high housing and fruit prices contributed to last month's high index, but clothing and footwear prices rose 3.6%, health costs rose 1.3% and transportation and communications prices rose 1.1%.

The continued expansion in the volume of credit, which increased by 13% during the first half of the year, is another sign that real interest rates are low. According to central bank officials, current rates are lower than in the past and are lower than rates abroad.

Economists estimate that interest rates paid by commercial banks during the first half of the year have been negative based on an annual inflation rate of 14.5%. The officials noted the move was necessary to curb the public's and the private sector's inflationary expectations. However, they said it was not enough, and that the government would have to move quickly and decisively to cut taxes, reduce the budget deficit and forge ahead with economic reforms which will increase competition and, thereby, lower prices.

The central bank also called on the government to implement its housing program to lower housing prices and moderate their inflationary influence on the index.

Beyond the dark shadows cast by inflation, the economic picture is bright, the officials said. During the first five months of the year most indicators were positive. The first quarter was characterized by vigorous growth, which continued at a slower pace in April and May.

Industrial production, exports and retail trade continued growing throughout the first half of the year. Imports, which mostly consisted of industrial input and investment goods, also grew, reflecting producers' expectations for continued high levels of economic activity.

The recent drop in unemployment below 8% is another encour-

aging development, they said.

This positive picture of the economy emphasizes the importance of the fight against inflation, which is the only front where the government has not yet succeeded in meeting its goals.

Experience here and abroad shows that enduring economic expansion is impossible together with inflation since price stability and certainty are necessary for investment and increased productive employment, they added.

Dan Propper, president of the Manufacturer's Association, attacked the central bank's decision.

"The Bank of Israel has to put a stop to the chain of interest rate rises and redefine the inflation goal and related monetary policy," Propper said.

Propper said the central bank has to clarify whether it stands

behind its initial annual inflation goal of 8%. "If the inflation goal is higher, it is justified to raise the interest as well as the crawling peg."

He said industry will suffer due to the increase. The raising of interest rates significantly increases firms' financing expenses and slows down economic activity and demand on the local market.

Chamber of Commerce President Danny Gillerman also criticized the decision, and called for the government to implement anti-inflationary measures.

Gillerman said the rate hike is potentially damaging to market growth and ineffective in the fight against inflation.

He said the market "is in an state of inflation [in terms of] expenses and not demand," therefore, interest rates have no bearings on the central factors influencing the Cost-of-Living index.

Measures to inspire confidence were suggested, such as the immediate release of lands for housing, faster privatization and exposure, tax reform and budget-tightening measures.

On Thursday, the Bank of Israel will cut five quotas of NIS 215 million each, for credit it provides commercial banks at interest levels of 11.3% to 11.7%, bringing up the interest floor by 0.5% to 11.8%.

At the same time, it will raise the interest it pays banks for their reserve deposits to 11.3%, up from 10.8%.

The central bank also announced it will make available next month five weekly tenders of NIS 6 billion. It will continue offering weekly tenders of NIS 450m. to the public for credit over a four-week period.

Galit Lipkis Beck and Rachel Neiman also contributed to this report.

Legislation would force Frenkel to talk to panel

EVELYN GORDON

IF Bank of Israel Governor Jacob Frenkel does not accede to the Knesset finance committee's repeated requests to appear, the committee will have to enact legislation requiring him to appear on demand, committee chairman Gedalya Gai (Labor) threatened yesterday.

Gai was responding to a motion for the agenda by MK Dan Tichon (Likud), who asked that Frenkel be brought to the committee to discuss the rise in interest rates.

Gai said he had asked Frenkel three weeks ago to address the committee on this subject, together with other leading figures in the economy, so the committee could hear different opinions. However, Frenkel did not want to appear with other people, Gai said.

Three days ago, he again asked Frenkel to appear before the committee, but has not yet received an answer.

If Frenkel continues to ignore the committee's requests, Gai said, he will propose legislation requiring him to come at the committee's request.

80 firms interested in shopping channel

LIAT COLLINS

SOME 80 companies have shown interest in obtaining the cable television home shopping channel franchise, according to Michal Rafaeli-Kaduri, chairwoman of the Cable Television Council. Rafaeli-Kaduri addressed a group of potential bidders yesterday.

Tender application forms, which were published yesterday, cost NIS 15,000, and bidders will be required to pay NIS 250,000 upon applying. The tender winner will have to place a banker's guarantee of NIS 3 million.

Communications Minister Shulamit Aloni told the prospective bidders that the home shopping station "would give every consumer in the country an equal chance to buy the same products at the same price, whether they live in the far North of the country or the far South."

The tender is the first opportunity for groups which do not hold a cable television franchise to operate a cable channel.

Under the tender's conditions, groups with holdings in both a cable television franchise and the Second Channel - including Bank Leumi, Bank Hapoalim, Yediot Aharonot, and Ma'ariv - will not be eligible for the home shopping franchise. Groups with an interest in one of the areas will face severe ownership restrictions on the franchise.

At least 25% of a group's overall bid must come from a local firm. Criteria for choosing the franchise winner will include the type of service being offered - including suggested broadcast hours - as well as the group's corporate identity, television production experience, and financial standing.

The franchise will run through the end of December 2001, and may be extended by the communications minister. Every three years, the franchise holder will have to submit to a review of operations by the ministry.

The tender does not determine what types of services or products will be offered, although advertisements for alcohol, tobacco products, weapons, and sex services are forbidden.

The station will not be allowed to run films or programs between broadcasts.

The deadline for submitting a tender is November 15, and the service must start within six months from the date when the franchise is awarded.

Some 700,000 households, representing more than 3m. viewers, are connected to cable television, Yossi Douer, chairman of the Cable Television Association, said.

CORRECTION

Bank Hapoalim and IDB Development control Clal while Bank Leumi, through its Africa-Israel subsidiary, controls Migdal, and not as reported in yesterday's edition.

Banks respond by raising rates

ALL five major banks announced yesterday they would raise their prime lending rates by half a percentage point on Sunday in response to the Bank of Israel's rate hike.

The risk premium and interest rate on borrowing in excess of the approved line of credit will remain the same.

Credit card companies are also expected to increase interest rates soon on transactions.

Galit Lipkis Beck

Updated bank overdraft rates

	Mizrahi %	Leumi %	Hapoalim %	Discount %	First Int'l %
Prime Rate	13.8	14	13.8	13.8	13.8
Risk Premium	2.5	2.5	2.5	2.5	2.5
Advance Commission	1.5	1.5	1.5	1.5	1.5
Total Authorized	17.8	18.0	17.8	17.8	17.8
Penalty for Unauthorized	2.5	2.5	2.1	2.4	2.5
Total Unauthorized	18.8	19.0	18.4	18.7	18.8
Updated	31.07.94	31.07.94	31.07.94	31.07.94	31.07.94

Bezek to reduce staff by more than 10%

JUDY SIEGEL

BEZEK will reduce its manpower by more than 10 percent - or 1,250 positions - by the end of this year, preferably by early-pension schemes that will cost the company NIS 400 million, management announced yesterday.

The company's management said it expects the government to pay generous early-retirement costs, because elimination of the company's monopoly in many services has forced the company to tighten its belt.

Meanwhile, Bezek will offer Jordan direct microwave phone links via Ramallah and the Allenby Bridge; it will also invite Jordan to forge direct phone links with Egypt, Europe, and the US through Israel's connection to the undersea Mediterranean fiber-optic cable. Two-way indirect links to Jordan can be established immediately via a third country if Jordan is ready for them.

Bezek chairman Moshe Haba

and director-general Yitzhak Kaul spoke with reporters yesterday after a meeting of the company's board of directors. They met to discuss how to cope with the new era of competition resulting from the new general license put into motion by the Communications Ministry.

Haba said that since the ministry would no longer allow international calls to subsidize cheaper domestic rates, Bezek stands to lose about \$140m. a year. Bezek says it will cut overseas rates by 40% if the government agrees to release the company from its commitment of paying the Treasury 8% in royalties. If it does not agree, Bezek will have to raise domestic rates and/or service charges, he said.

Bezek aims to make overseas calls only a bit more expensive

than intercity calls in Israel, Kaul said, making this a "popular commodity."

The board decided to establish two subsidiaries: one for international calls (which would have an annual turnover of NIS 1.5 billion) and one for telephone equipment including exchanges (with a NIS 200m. turnover). This decision must be approved by the communications minister and the ministerial economics committee.

Kaul expects that enough people will resign from Bezek to meet the reduced manpower quota of 8,750; they will be induced by "very generous" compensation similar to that given to Israel Aircraft Industries retirees, he said.

By 1997, all of the country's phones will be hooked up to digi-

tal exchanges, Kaul said. The company will invest over NIS 10b. in infrastructure over the next five years; by then, the country will have 3m. phone lines, compared with 2m. today.

Bezek will issue a tender to a foreign company for the supply of "intelligent phone networks." Local companies were not included in the tender because they lack the necessary experience. These networks will eventually make possible advanced services, including "personal phones" that go with the individual anywhere in the world.

Officials also announced the choice of a new basic telephone to be sold or leased to all Bezek subscribers. It is called Almog 2000 and is made by the German firm Siemens. Kaul said the phone, chosen from among 30 different entries, will cost around NIS 120.

Court won't intervene in claim against Isramco

RACHEL NEIMAN

THE Tel Aviv District Court has decided it does not have the right to intervene in a complaint made by Isramco option-holders against the company.

Judge Yishai Levit said he could not respond positively to the option-holders' claim of extending the expiration date on the firm's Negev 2 options.

"I do not find in the prospectuses any clear legal obligations to begin drilling by December 31, 1993 and to conclude drilling within 150 days," he said.

Levit saw the dates listed in the prospectuses as "estimated time-tables." Moreover, "the prospectuses do not link the options' expiration date and the end date for drilling at Jaffa Sea 1."

If option-holders had expected to get drilling results by the expiration date, Levit said, such hopes were unfounded, adding that the court made no connection between the two events.

Isramco did not oppose the suit, preferring instead to let the court decide. It did wish to point out that the TASE stance on the matter has not yet been heard. The TASE had no comment since the court protocol had not been officially received.

The appellants' counsel said his clients were disappointed and that all avenues were still open should they wish "to sue whoever they feel is responsible for the damages they feel they have incurred." He added the court saw fit that the matter be settled in a general assembly of option-holders, the company trustee (representing interests of both sides), and the company.

Harish, Bassiouny discuss trade problems

JOSE ROSENFELD

EGYPTIAN Ambassador Mohammed Bassiouny yesterday met with Industry and Trade Minister Micha Harish to discuss trade problems between the two countries.

Bassiouny complained about Israel's refusal to allow entry to steel and iron imports from Egypt. Harish said local industry is very sensitive to these imports since their price is lower than world prices. Under current conditions, allowing their entry could hurt the viability of local industry, he said.

Harish raised the problem of local businessmen who are unable to get multiple entry visas to Egypt to facilitate their business activities there.

Harish asked the ambassador to transmit an invitation to Egyptian Economists and Trade Minister Mahmud Mohammed Mahmud to come here in October for a joint Israel-Egypt economic committee which will look into broadening economic cooperation between the countries.

Harish suggested that Mahmud bring a delegation of Egyptian industrialists and businessmen to explore more concretely available business opportunities here.

Trade between the countries last year totaled \$20.5 million. Israel exports reached \$9.6m., reflecting an increase of 43% compared with the previous year. Imports from Egypt amounted to \$10.3m., up 49% from 1991.

Israel's exports consisted mainly of agricultural production inputs, while cotton made up 30% of Egyptian imports.

BUSINESS BRIEFS

Electric Corp. checks into connecting network with Jordan. The Israeli Electric Corp. yesterday announced it is conducting a thorough examination into the possibility of connecting the country's electricity network with Jordan's. Electric Corp. general manager Moshe Katz said he expects the examination, which involves discussions with Jordan's electricity company, to take a few months.

Katz said it is necessary to decide where to connect the two countries' electricity networks and the size of the connection. He said there are many benefits in connecting the two countries' networks. "The larger the network, the higher the stability and the easier it is to overcome problems." The Electric Corp. said Jordan's electricity network is relatively small, manufacturing about one-sixth of Israel's production ability of 6,200 megawatts.

Taubari remained for two more days: Eylon Taubari, former deputy director of Bank Hapoalim's Gmilot provision fund, was remanded for a further two days by the Tel Aviv District Court yesterday. Taubari agreed to the extension and the Securities Authority pending his appeal on other charges to be heard by a Tel Aviv District Court judge tomorrow.

Rolling Mills inaugurates steel production line in Kiryat Gat. Rolling Mills, a subsidiary of United Steel Mills, yesterday inaugurated its new steel production line in Kiryat Gat. United Steel Mills invested NIS 4 million in the line, which is capable of manufacturing about 150,000 tons of polygon bars used in construction annually. United Steel Mills manufactures 48 percent of the local iron market for construction and industry, representing 205,000 tons annually.

'IAI must carry out mandated reforms to receive further aid. The Knesset finance committee will find it difficult to approve further aid for Israel Aircraft Industries if it doesn't carry out the reforms mandated by its recovery program, committee chairman Gedalya Gai (Labor) warned yesterday.

IAI Chairman Zvi Tsor told the committee that much of the company's recovery program appears to be on track. For instance, the work force is down to 13,728, from a peak of 22,000 in the mid-80s and 16,000 at the end of 1992. The goal is to reduce it to 13,400.

MKA discuss funding for helicopter landing pad in Arad. The Knesset finance committee yesterday discussed funding for a helicopter landing pad in Arad, which has been ordered by State Comptroller Miriam Ben-Porat. The funding request appears to have wide support within the coalition, but the vote was pushed off to today after MK Dan Tichon (Likud) requested factional consultations.

Committee chairman Gedalya Gai (Labor) said Industry and Trade Minister Micha Harish gave the committee a very convincing explanation: Although Arad is only ninth on the list of 15 places for which such pads were a priority, Motorola insisted on the pad in exchange for building a plant. This will employ hundreds of people in the region, which is a good enough reason, he said.

However, Tichon sharply disagreed, noting that Ben-Porat had not been satisfied with this explanation.

WORLD BRIEFS

British recovery stronger: Fresh evidence that Britain's economic recovery is strengthening is provided by data released by the Confederation of British Industry (CBI) yesterday, the Treasury said.

The CBI survey showed manufacturing output growing at its fastest rate since April 1989 and orders at the fastest rate for six years.

EU approves Olympic Airways survival plan: Greece's survival plan for its debt-ridden state airline, Olympic Airways, has been approved by the European Commission. Transport Minister Theodoros Pangalos said yesterday.

He gave no details of the final version of the plan agreed with the Commission but the core of the program, under negotiation for months, has been a \$2 billion debt write-off.

Inchcape Plc to expand ties with Coca-Cola: International motors and marketing group Inchcape Plc said it was extending links with US soft-drink giant Coca-Cola Co. by investing in bottling franchises in six of the 12 largest cities in the Russian Federation.

Mercedes-Benz to set up plant in Vietnam: The German firm Mercedes-Benz has told the Vietnamese government it plans to set up a plant to assemble commercial vehicles and cars in Ho Chi Minh City, an official newspaper reported.

Oil earnings drop: Oil giants, including Exxon Corp., Mobil Corp. and Texaco Inc., reported lower second quarter profits Monday due to weak refining and marketing margins that were hurt by a sudden run-up in crude oil prices.

Exxon, the US's largest oil company, said its earnings dropped to \$885 million, or 70 cents a share, from \$1.235b., or 96 cents a share, a year ago.

Fairfax, Va.-based Mobil, the No. 2 US oil company, said its second quarter profits dropped \$381m. to \$198m., or 46 cents a share, versus \$579m., or \$1.41 a share, a year ago.

Texaco, based in White Plains, NY, said its earnings sank to \$115m., or 35 cents a share in the second quarter, compared with \$312m., or \$1.11 a share, a year earlier.

Chicago-based Amoco Corp. said its earnings fell 16 percent to \$410m., or 83 cents, from \$487m., or 98 cents, a year ago.

Source: Reuters

ISRAELI MONEY MARKETS

Patah (foreign currency deposit rates) (26.7.94)				
Currency (deposit for)	3 MONTHS	6 MONTHS	9 MONTHS	12 MONTHS
U.S. dollar (\$250,000)	4.000	4.500	4.750	5.000
German mark (DM 200,000)	3.800	4.300	4.550	4.800
Swiss franc (SF 200,000)	3.600	4.100	4.350	4.600
Yen (10 million yen)	3.400	3.900	4.150	4.400

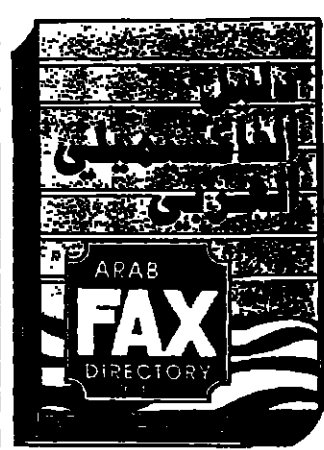
(Rates vary higher or lower than indicated according to deposit)

Shekel Foreign Exchange Rates* (26.7.94)

Currency basket	Buy	Sell	Banknotes	Buy	Sell	Res.
U.S. dollar	3.3570	3.4050	100	3.3570	3.4050	3.3570
German mark	3.0382	3.0811	100	3.0382	3.0811	3.0382
French franc	1.3622	1.3991	100	1.3622	1.3991	1.3622
Japanese yen (100)	4.6311	4.6996	100	4.6311	4.6996	4.6311
Dutch guilder	0.8888	0.9282	100	0.8888	0.9282	0.8888
Swedish krona	3.0782	3.1287	100	3.0782	3.1287	3.0782
Swiss franc	2.2485	2.2727	100	2.2485	2.2727	2.2485
British pound	0.4371	0.4441	100	0.4371	0.4441	0.4371
Norwegian krona	0.2682	0.2752	100	0.2682	0.2752	0.2682
Spanish peseta	0.0491	0.0500	100	0.0491	0.0500	0.0491
Portuguese escudo	0.0202	0.0207	100	0.0202	0.0207	0.0202
Australian dollar	0.5782	0.5974	100	0.5782	0.5974	0.5782
Canadian dollar	0.7182	0.7358	100	0.7182	0.7358	0.7182
Israeli sheqel (10)	2.2583	2.2902	100	2.2583	2.2902	2.2583
S. African rand	0.8282	0.8532	100	0.8282	0.8532	0.8282
Belgian franc (10)	0.0582	0.0598	100	0.0582	0.0598	0.0582
Austrian schilling (10)	2.7116	2.7480	100	2.7116	2.7480	2.7116
Italian lire (1000)	1.9183	1.9484	100	1.9183	1.9484	1.9183
Japanese yen (100)	3.3570	3.4050	100	3.3570	3.4050	3.3570
Israeli sheqel (10)	2.2583	2.2902	100	2.2583	2.2902	2.2583

* These rates vary according to bank.

SOURCE: BANK LEUMI



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Sterling	NIS 4.6633	-0.43%
Mark	NIS 1.9188	-0.17%

NEW YORK STOCK MARKETS

New York market indexes

Index	Last	Change
DJ Industrial	7792.44	+1.18
DJ Transport	1000.44	+0.46
DJ Utility	1000.44	+0.46
DJ Composite	1000.44	+0.46
S&P 500	244.85	+0.41
NASDAQ	244.85	+0.41
NYSE	244.85	+0.41
AMEX	244.85	+0.41

Other stock market indexes

Index	Last	Change
FTSE 100	2712.2	+11.1
Nikkei 225	15111.1	+111.1
Hong Kong Hang Seng	9154.28	+114.74

Israeli stocks in NY

Stock	Last	Change
Bank Leumi	43.25	-1.25
Bank Hapoalim	43.25	-1.25
Bank Mizrahi	43.25	-1.25
Bank Leumi	43.25	-1.25
Bank Hapoalim	43.25	-1.25
Bank Mizrahi	43.25	-1.25

Libor rates

Rate	Last	Change
3 months	4.125	-0.005
6 months	4.125	-0.005
12 months	4.125	-0.005

Foreign financial data courtesy of CommStock Trading Ltd.

Futures, Options, Stocks, Bonds and Mutual Funds.
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Fax. 02-244876

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NEW YORK COMMODITIES AND METALS

US commodities

Commodity	Last	Change
Corn (CBOT)	2.11	-0.01
Soybean (CBOT)	2.11	-0.01
Wheat (CBOT)	2.11	-0.01

London commodities

Commodity	Last	Change
Copper (LME)	1.04	+0.01
Gold (LME)	1.04	+0.01
Silver (LME)	1.04	+0.01

Spot market metals (US)

Commodity	Last	Change
Copper (COMEX)	1.04	+0.01
Gold (COMEX)	1.04	+0.01
Silver (COMEX)	1.04	+0.01

New York metal futures

Commodity	Last	Change
Copper (COMEX)	1.04	+0.01
Gold (COMEX)	1.04	+0.01
Silver (COMEX)	1.04	+0.01

London metal futures

Commodity	Last	Change
Copper (LME)	1.04	+0.01
Gold (LME)	1.04	+0.01
Silver (LME)	1.04	+0.01

TEL AVIV STOCKS

Multi-sided trading

Company	Price	Change
Bank Leumi	43.25	-1.25
Bank Hapoalim	43.25	-1.25
Bank Mizrahi	43.25	-1.25

Two-sided trading

Company	Price	Change
Bank Leumi	43.25	-1.25
Bank Hapoalim	43.25	-1.25
Bank Mizrahi	43.25	-1.25

PARALLEL LIST

Company	Price	Change
Bank Leumi	43.25	-1.25
Bank Hapoalim	43.25	-1.25
Bank Mizrahi	43.25	-1.25

Property, Building & Agriculture

Company	Price	Change
Bank Leumi	43.25	-1.25
Bank Hapoalim	43.25	-1.25
Bank Mizrahi	43.25	-1.25

Insurance

Company	Price	Change
Bank Leumi	43.25	-1.25
Bank Hapoalim	43.25	-1.25
Bank Mizrahi	43.25	-1.25

Trade & Services

Company	Price	Change
Bank Leumi	43.25	-1.25
Bank Hapoalim	43.25	-1.25
Bank Mizrahi	43.25	-1.25

Investment Companies

Company	Price	Change
Bank Leumi	43.25	-1.25
Bank Hapoalim	43.25	-1.25
Bank Mizrahi	43.25	-1.25

Oil Exploration

Company	Price	Change
Bank Leumi	43.25	-1.25
Bank Hapoalim	43.25	-1.25
Bank Mizrahi	43.25	-1.25

Industrial

Company	Price	Change
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Schumacher banned from 2 races

PARIS (AP) - World auto racing authorities yesterday barred Grand Prix leader Michael Schumacher from two Formula 1 races, after the German driver broke rules at a contest in Britain this month.

The International Automobile Federation (FIA) also cut the six points Schumacher earned during the disputed Grand Prix in Silverstone, England, where he passed Damon Hill on a warm-up and temporarily ignored a black flag.

If upheld, the sanctions would deal a serious blow to Schumacher, who had all but won the championship.

The points cut and race scratches would trim Schumacher's lead over Britain's Hill to just seven points from the 72-39 score before the ruling, providing Hill wins both races worth 10 points apiece.

Schumacher's explanation consisted of saying that he didn't see the black flag, said FIA President Max Mosley. FIA's World Council judged that explanation unacceptable.

There was no immediate comment available from Schumacher, who was seen leaving the FIA headquarters near tears.

In addition, Schumacher's Benetton-Ford team was fined \$500,000 for "failing to follow instructions at the race."

The World Council said the team had a computer system with a device "capable of breaching regulations" but there was no proof it was used. Still, the council levied a \$100,000 fine because the team "failed to make their computer source codes available immediately."

The director of the British Grand Prix, Pierre Amonier, was stripped of his license for one year for failing "in his duties with regard to various points."



OUT OF THE RACE - A dejected Michael Schumacher leaves the FIA headquarters in Paris (AP)

Schumacher could appeal the decision before the German Grand Prix scheduled on the Hockenheim circuit Sunday. He was also barred from the Hungarian Grand Prix in August.

If he appeals, Schumacher would be able to race and score full points until an appeal is heard, FIA said. But such a rejected appeal would be a dark cloud over his head.

At the Silverstone race July 10, Schumacher passed pole-sitter Hill on the warm-up lap before the start of the race and took five laps to stop after a black flag was waved in front

of him. The stop penalty gave Hill the race, as he and Schumacher were running neck-and-neck until the penalty was taken.

After the race, Schumacher was fined \$25,000 and his team reprimanded for ignoring the black flag. But the FIA yesterday toughened the sanctions. It had previously given a one-race suspension to Nigel Mansell for ignoring the black flag at the Portuguese Grand Prix in 1989.

In other decisions at yesterday's hearing, Mika Hakkinen and Rubens Barrichello were threatened with being barred from one race after they crashed into each other on the final turn at Silverstone. Hakkinen finished in fourth and Barrichello in fifth.

Schumacher's absence from the Hockenheim Grand Prix would be a big blow to the race's promoters who have reportedly sold 150,000 tickets.

Schumacher has won six of the eight races so far this year, coming in second in Spain due to a stuck fifth gear and because of the penalty at Silverstone.

British press slams Atherton over ball-tampering scandal

LONDON (Reuters) - The British press continued its attack on England cricket captain Mike Atherton yesterday, calling for him to quit over a ball-tampering scandal.

"Michael Atherton should quit as England captain right now," said former England opener Geoff Boycott in the tabloid Sun newspaper.

Another former England player, Jonathan Agnew, joined the debate over the affair, which resulted in Atherton being fined £2,000 for having dirt in his pocket to dry his hands during the Test against South Africa and for misleading the match referee.

Under the headline "Why Atherton has got to go!" Agnew wrote in the Daily Mail. "An example has to be made of Atherton."

"He can go quietly...or the authorities can be strong and give him a push. But sadly, he has to go," Agnew wrote.

The Daily Mirror conducted a readers' poll on the affair, which overshadowed South Africa's victory at Lord's at the weekend, and reported that 100 percent of those who responded wanted Atherton to quit.

Television pictures captured Atherton on Saturday putting his hand into his trouser pocket, then taking it out and rubbing the ball before wiping his hand on his trousers.

An investigation that evening by match referee Peter Burge found that Atherton had done "nothing untoward." But 24 hours later Atherton revealed that he had had dirt in his trouser pocket, an action which Burge described as "foolish in the extreme."

The Times newspaper rebuked Burge's words and added: "(Atherton) was dishonest in his account of the matter to the official charged with its investigation."

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Among all the solemnity, the Sun added a note of levity. It offered readers a competition with 20 prizes of packets of "Mike's super soil" designed, the newspaper said, "to keep your hands dry in the scorching heat."

But, tongue-in-cheek, the Sun warned prize-winners: "Please remember this soil should not be brought into close contact with any cricket ball. The results can be costly."

Another former England player, Jonathan Agnew, joined the debate over the affair, which resulted in Atherton being fined £2,000 for having dirt in his pocket to dry his hands during the Test against South Africa and for misleading the match referee.

Under the headline "Why Atherton has got to go!" Agnew wrote in the Daily Mail. "An example has to be made of Atherton."

"He can go quietly...or the authorities can be strong and give him a push. But sadly, he has to go," Agnew wrote.

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Lewis may be on the way out

ST. PETERSBURG (Reuters) - Millionaire sprinter Carl Lewis, who will leave St. Petersburg even richer after approximately 20 seconds work at the Goodwill Games, may have finally reached the end of the road.

The greatest sprinter and long-jumper of his generation, now in his 34th year, finished only fourth in Monday night's 100 meters.

He then announced he was pulling out of yesterday's long jump clash with world record holder Mike Powell.

Lewis said he would definitely run in Friday's 4x100 meters relay in which his Santa Monica club team should breeze to victory.

Those spectators who have bothered to turn up to the Petrovsky stadium could be forgiven for feeling doubly cheated at missing a head-to-head clash between Lewis and Powell.

Not only will Lewis be absent but Powell has said several times that he needs the stimulus of jumping against Lewis to perform at his best.

"If I felt 100 percent I'd definitely long jump," Lewis said. "But you can't jump against the world record holder when you just feel okay."

Lewis has not won a major sprint title since the 1991 Tokyo world championship 100m final, although, as ever, he had a plausible excuse for Monday's performance.

"I made an elementary mistake at the start," Lewis said. "Right at the start I lifted my head right out of the blocks and that was it."

Games president Jack Kelly said yesterday he did not agree that the



A HAS-BEEN? - Track superstar Carl Lewis may no longer be able to run with the best of them. (AP)

athletics competition had been devalued by Lewis' absence from the long jump.

He said the organizers had received assurances from Lewis that he would give his maximum effort here.

"But Carl is getting a little older," Kelly said. "He gets small hurts. It's always a risk."

The organizers will not comment on the individual appearance money being paid here, although athletes such as Lewis, Sergei Bubka and

Nourredine Morceli do not come cheap.

Two years ago it was widely accepted that Lewis was finished when he failed to qualify for the US Olympic team for either the 100 or 200 meters.

But he came back to win the long jump comfortably then anchored the US 4x100 team to victory in world record time with an unforgettable final leg in a triumphant finish to the Barcelona Games.

Coleman caught between Mac. TA and Hap. Jerusalem

JOEL GORDIN

MACCABI Tel Aviv basketball team yesterday postponed its scheduled press conference at which the club was to present its team for the 1994/5 season. The reason: the Jerusalem District Court has still not withdrawn its decree forbidding Morris Coleman to transfer from Hapoel Jerusalem to Maccabi.

A hearing on the matter was postponed from Monday until Friday. Jerusalem originally petitioned the court to forbid the transfer, claiming that Coleman legally "belongs" to the capital city side. Meanwhile, Coleman returned to Israel yesterday, adamant he will be playing for Maccabi. He was met at Ben-Gurion Airport by Maccabi manager Moni Fabian.

Although the season starts early this year (September 1) only Hapoel Holon has finalized its squad. The star-studded team reportedly cost Holon's patron Nahum Miniver more than \$4 million. New acquisitions include David Thirdkill (from Hapoel Tel Aviv), Tomer Steinhilber (Hapoel Tel Aviv), Eddie Philip (Bnei Ramat Gan), Adi Gordon (Hapoel Jerusalem) and Pini Levy (Hapoel Jerusalem).

Even newcomers to the national league, Maccabi Jerusalem, which presented its team at a press conference on Sunday, received a setback yesterday when American Wayne Campbell notified that he will not be joining the team for personal reasons.

Rugby player cleared of manslaughter

LONDON (AP) - The first player in English rugby history to be prosecuted for a death on the field was found not guilty of manslaughter yesterday.

William Hardy, a 25-year-old electrician, was cleared of charges that he "deliberately and unlawfully" caused the death of Seamus Lavelle during a club match between local teams West Drayton and Hendon 16 months ago.

Prosecutors alleged that Hardy had "deliberately and unlawfully" disabled Lavelle with an uppercut.

SCOREBOARD

TENNIS - Andre Manassiotou beat Grant Stafford (South Africa) 6-2, 6-4 Monday at the \$1.75 million Canadian Open tennis tournament in Toronto. Today Manassiotou takes on American Todd Martin.

Expos beat Braves, pull away in standings

ATLANTA (AP) - Moises Alou hit a two-run triple and the Montreal Expos rallied past the Atlanta Braves 6-4 Monday night for their seventh straight win and a 2½-game lead in the NL East.

The Expos extended their longest winning streak of the season and took their biggest lead of the year over the Braves. Atlanta, despite a home run by Terry Pendleton in his return from the disabled list, lost for the sixth time in nine games.

By winning the opener of the three-game series, the Expos ensured they will leave Atlanta in first place.

Alou's triple put Montreal ahead 5-4, and he scored on a grounder by Larry Walker.

Pedro Martinez (8-5) allowed four hits and four runs in six innings. John Wetteland pitched the ninth for his 19th save.

Trailing 4-3 entering the seventh,

the Expos rallied against reliever Mark Wohlers (7-2).

Kevin Mitchell homered twice, rallying host Cincinnati to a victory that secured the Reds' month-long hold on first place in the NL Central.

Mitchell wiped out deficits by connecting on both of his swings against Greg Swindell (7-7), and Bret Boone doubled home the go-ahead runs to give Cincinnati a two-game lead over Houston. The Reds have been in first place since June 21.

Only 28,693 tickets were sold and only 25,247 fans showed up on a 74-degree summer night for the start of the Reds' biggest series of the season. Owner Marge Schott said before the game she was embarrassed by the lack of fan interest.

Dodgers 10, Giants 5
Ramon Martinez cooled off Darryl Strawberry and surging San Francisco, pitching host Los Angeles to a victory that stopped their season-high five-game losing streak.

Eric Karros homered twice, doubled and singled, driving in four runs as the Dodgers took a 2½-game lead over San Francisco in the NL West.

Matt Williams hit his major league-leading 37th home run for the Giants, who lost for only the third time in 15 games.

The Giants were 9½ games behind the Dodgers before acquiring Strawberry, making his first appearance against the team that released him May 25 following his treatment for substance abuse. Before the game, he greeted Dodgers manager Tommy Lasorda - who had been critical of Strawberry - with a handshake and a

hug in a gesture of good will. Rockies 4, Padres 3
Andres Galaraga hit his 31st home run to help Colorado overcome an 11-strikeout performance by Andy Benes.

Danny Shaffer broke a 2-2 tie in the seventh by leading off with his first homer of the year, hitting a 3-2 pitch from Benes (6-12) into the left-field seats. Mike Kingery added a run-scoring single in the eighth.

MAJOR LEAGUE LEADERS

National League
BATTING - T.Gwynn, San Diego, .389; Bagwell, Houston, .363; Morris, Cincinnati, .354; Alou, Montreal, .336; Justice, Atlanta, .332; Piazza, Los Angeles, .329; Conine, Florida, .328.
RUNS - Bagwell, Houston, 89; Grieson, Montreal, 80; Bagwell, Houston, 78; Larkin, St. Louis, 78; Galaraga, Colorado, 78; Bonds, San Francisco, 74; Alou, Montreal, 70.
RBIs - Bagwell, Houston, 99; Bichette, Colorado, 90; Galaraga, Colorado, 84; Piazza, Los Angeles, 81; McWilliams, San Francisco, 80; Morris, Cincinnati, 78; McGriff, Atlanta, 75.
HITS - T.Gwynn, San Diego, 138; Morris, Cincinnati, 134; Bichette, Colorado, 133; Galaraga, Colorado, 130; Bagwell, Houston, 127; Conine, Florida, 126; Alou, Montreal, 125.
HOME RUNS - McWilliams, San Francisco, 37; Bagwell, Houston, 32; Bonds, San Francisco, 31; Galaraga, Colorado, 31; McGriff, Atlanta, 27; Mitchell, Cincinnati, 26; Soza, Chicago, 24.
STOLEN BASES - D.Sanders, Cincinnati, 34; Grieson, Montreal, 32; Carr, Florida, 29; Biggio, Houston, 28; D.Lewis, San Francisco, 27; Mouton, Houston, 23; Clayton, San Francisco, 22; Larkin, Cincinnati, 22.
PITCHING (11 Decisions) - Key, New York, 15-2, .882, 3.28 BAA, Chicago, 10-2, .833, 3.82; McLair, Cleveland, 11-3, .788, 3.82; Mussina, Baltimore, 14-4, .778, 3.02; Cone, Kansas City, 14-4, .778, 2.69; M.Perez, New York, 9-3, .727, 3.69; Alvarez, Chicago, 11-5, .887, 3.40; Johnson, Seattle, 11-5, .887, 3.37.
STRIKEOUTS - R.Johnson, Seattle, 170; Clemens, Boston, 162; Finley, California, 152; Hentgen, Toronto, 128; Appier, Kansas City, 126; Cone, Kansas City, 116; Gurezan, Toronto, 110; A.Ramirez, Chicago, 110.
SAVES - D.Jones, Philadelphia, 26; Beck, San Francisco, 23; Franco, New York, 23; Myers, Chicago, 22; McMichael, Houston, 18; Wetteland, Montreal, 15; Hudek, Houston, 18; Brufin, Colorado, 16.

American League
BATTING - Thomas, Chicago, .371; O'Neil, New York, .371; Lofton, Cleveland, .364; Belle, Cleveland, .350; Moltis, Toronto, .348; Boggs, New York, .343; W.Clarke, Texas, .338.
RUNS - Thomas, Chicago, 99; Lofton, Cleveland, 92; Canseco, Texas, 88; Gentry Jr., Seattle, 81; Belle, Cleveland, 77; Phillips, Detroit, 77; Baerga, Cleveland, 74.
RBIs - Puckett, Minnesota, 92; Belle, Cleveland, 80; Carter, Toronto, 80; Thomas, Chicago, 80; Franco, New York, 80; Canseco, Texas, 81; Sierra, Oakland, 80.
HITS - Lofton, Cleveland, 141; Moltis, Toronto, 132; Belle, Cleveland, 129; Thomas, Chicago, 128; Baerga, Cleveland, 126; Griffey Jr., Seattle, 125; Franco, Chicago, 122.
HOME RUNS - Griffey Jr., Seattle, 36; Thomas, Chicago, 35; Belle, Cleveland, 30; Canseco, Texas, 27; Fielder, Detroit, 26; M.Vaughn, Boston, 21; Palmeiro, Baltimore, 21; Sierra, Oakland, 21; Carter, Toronto, 21; O'Neil, California, 21.
STOLEN BASES - Lofton, Cleveland, 54; Coleman, Kansas City, 48; Nixon, Boston, 36; Knoblauch, Minnesota, 29; Byrd, Baltimore, 28; McRae, Kansas City, 24; L.Johnson, Chicago, 24.
PITCHING (11 Decisions) - Key, New York, 15-2, .882, 3.28 BAA, Chicago, 10-2, .833, 3.82; McLair, Cleveland, 11-3, .788, 3.82; Mussina, Baltimore, 14-4, .778, 3.02; Cone, Kansas City, 14-4, .778, 2.69; M.Perez, New York, 9-3, .727, 3.69; Alvarez, Chicago, 11-5, .887, 3.40; Johnson, Seattle, 11-5, .887, 3.37.
STRIKEOUTS - R.Johnson, Seattle, 170; Clemens, Boston, 162; Finley, California, 152; Hentgen, Toronto, 128; Appier, Kansas City, 126; Cone, Kansas City, 116; Gurezan, Toronto, 110; A.Ramirez, Chicago, 110.
SAVES - D.Jones, Philadelphia, 26; Beck, San Francisco, 23; Franco, New York, 23; Myers, Chicago, 22; McMichael, Houston, 18; Wetteland, Montreal, 15; Hudek, Houston, 18; Brufin, Colorado, 16.

NATIONAL LEAGUE				
East Division				
	W	L	Pct.	GB
Montreal	51	37	.582	-
Atlanta	48	40	.550	2.5
Philadelphia	47	41	.535	3.0
New York	46	42	.524	3.5
Florida	45	43	.511	4.0
Central Division				
	W	L	Pct.	GB
Cincinnati	59	40	.592	-
Houston	57	43	.570	2
St. Louis	47	51	.480	11
St. Louis	46	52	.469	12
Chicago	45	54	.443	14.5
West Division				
	W	L	Pct.	GB
Los Angeles	49	50	.495	2
San Francisco	47	53	.475	4
San Francisco	46	54	.460	5
San Diego	39	62	.386	11

MONDAY'S NL RESULTS:
Montreal 6, Atlanta 4
Cincinnati 7, Houston 4
Philadelphia 6, Florida 1
Pittsburgh 6, Chicago 2
New York 7, St. Louis 3
Colorado 4, San Diego 3
Los Angeles 10, San Francisco 5

AMERICAN LEAGUE				
East Division				
	W	L	Pct.	GB
New York	50	39	.562	-
Baltimore	54	41	.568	.5
Boston	47	50	.485	13.5
Toronto	47	50	.485	13.5
Detroit	43	56	.438	18
Central Division				
	W	L	Pct.	GB
Chicago	56	39	.582	-
Cleveland	56	39	.582	-
Kansas City	52	47	.526	7.5
Minnesota	48	52	.480	13
Minnesota	46	53	.469	14
West Division				
	W	L	Pct.	GB
Texas	47	42	.476	-
Oakland	44	54	.449	2.5
Seattle	44	54	.449	2.5
Oakland	40	58	.417	6.5

MONDAY'S AL RESULTS:
Kansas City 6, Chicago 4 (12)
Texas 7, Minnesota 4
Only games scheduled

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PERSONALS

ACADE

Experts recommend legalization of surrogate motherhood

JUDY SIEGEL

A COMMITTEE of experts appointed three years ago by the then-ministers of justice and health yesterday issued a 126-page report in which the majority recommended the legalization of surrogate motherhood.

Two of the eight members issued significant minority opinions.

Justice Minister David Liba'i and Health Minister Ephraim Sneh, who received the report, said it would require a great deal of consideration of the social, moral, religious and other aspects of the issue.

While Liba'i said he hoped the recommendations would be implemented, Sneh said his ministry's legal department was busy preparing regulations for the implementation of the national health insurance law.

Only after this is completed would the staff turn to other matters, including the surrogacy issue, Sneh said.

The committee was headed by retired district court judge Shaul Aloni. It also included Tel Aviv University sociologist Dr. Delila Amir; Hadassah gynecologist Prof. Joseph Schenker; Hebrew University philosopher Prof. David Held; social worker Ella Blass (who heads the state adoption service); gynecologist and medical ethicist Rabbi Dr. Mordechai Halperin; TAU psychologist Dr. Ariela Friedman and Dr. Carmel Shalev of the Justice Ministry (who was coordinator).

Rabbi Yisrael Meir Lau was a member until he was elected chief rabbi.

The majority of the committee, which dealt

with various aspects of *in-vitro* fertilization - in addition to surrogacy - agreed they did not want to encourage couples to commission another woman to have their baby.

But the majority said the phenomenon - currently involving Israelis who pay women abroad to carry their babies - is too common to be ignored by Israeli law. They urged that rules be carefully set down as legislation by the Knesset.

Since the first IVF unit was established here, 7,891 have undergone IVF (in which their own or donated ova are fertilized by their partner's or a donor's sperm and the fetus is implanted in the woman's womb).

Of these, 1,584 babies were born and survived. But IVF is not the solution to infertile couples, when the woman lacks a uterus or for health or other reasons cannot carry her own baby.

In surrogacy, the baby could be the product of ova from the commissioning mother or the surrogate mother and of sperm from the commissioning father or a donor.

The majority of the committee urged that an inter-disciplinary committee of experts be named exclusively to supervise all IVF and surrogacy procedures. This committee would have an equal number of men and women and include clergy.

Only this body would be allowed to authorize surrogacy, and only before fertilization or implantation actually took place. Only Israeli

residents could be involved in surrogate pregnancies, and only if they were fully carried out in Israel, the committee said.

The surrogate who bore the baby could be compensated monthly for costs of pregnancy and delivery and for her time, suffering and loss of income during pregnancy, but could not receive any other payment. A woman could act as surrogate only once, unless the same couple "ordered" another baby from her; in that case, the limit would be two.

Once born, the baby would be given to the commissioning couple in the presence of a welfare official or judge, and the couple would be considered the baby's parents, as if he were born to them - with no need for legal adoption.

No legal connection between the surrogate mother and the baby would exist. If the surrogate mother decided to break the contract, the parents could not force her to give up the baby. If the couple refuse to take the child, the surrogate mother would get the first right to take him before he would be placed for adoption.

The majority set no limits on age or personal status of either the commissioning couple or the surrogate mother.

Schenker, a dissenting member of the panel, urged that the surrogate mother only be an unmarried woman; if she had children, they must be at least 18 years old.

Halperin, who also dissented, argued that surrogacy could cause more damage to society and the child himself than the process was worth.

Officer wounded in Lebanon still in critical condition

DAVID RUDGE

A TENSE quiet reigned in south Lebanon yesterday following fierce clashes in the security zone on Monday in which an IDF officer was killed and 13 other soldiers wounded, one of them seriously.

Li Shai Wolstein, aged 20, who was killed when the position he was commanding was hit by a missile during the fighting, was laid to rest at the Hadassah military cemetery yesterday.

Hundreds of mourners, including scores of comrades from the paratroop unit in which he served, attended the funeral. Wolstein is survived by his parents and four brothers.

Another officer, from the Givati brigade, suffered severe head injuries in the clashes on Monday and was still in critical condition in Haifa's Rambam Hospital yesterday. The majority of the remaining 12 soldiers wounded in the fighting suffered light injuries.

Hizbullah gunmen ambushed an IDF convoy near Ishiyeh village, in the eastern sector of the zone, with Sagger anti-tank missiles and machine gun fire. Other groups

opened fire at the patrol and IDF positions with mortars, missiles and Katyusha rockets.

The organization claimed four separate groups had been involved in the series of well planned and highly coordinated attacks which sparked heavy return fire by IDF and SLA gunmen.

OC Northern Command Maj.-Gen. Yitzhak Mordechai told reporters yesterday that during the fighting, Hizbullah gunmen had tried to overrun an SLA position in the Kantara region, but were thwarted and were forced to flee.

The terrorists had also used homes in Lebanese villages north of the zone as cover to fire at IDF and SLA targets, he said.

Mordechai said there was no evidence of any Syrian connection in Monday's attacks, but it was clear from previous experience that Syria could curb Hizbullah if it wanted to.

Mordechai stressed that despite Monday's "very grave" incident and the heavy price paid by the

IDF, there had been no casualties among residents of the northern border in the past year.

On the other hand, more than 70 terrorists had been killed during IDF and SLA troops during operations inside and north of the security zone since the beginning of the year.

News agencies reported yesterday that IDF and SLA troops had imposed a curfew on Yochim village, north of the zone, following Monday's fighting and blocked the only access to the village from the south. Other reports, however, said that the blockade was imposed to enable troops to carry out searches in the area.

Meanwhile, UNIFIL is in dire financial straits and only has enough funds to cover expenses for the next three weeks, UN Secretary-General Boutros Boutros-Ghali announced late Monday night.

Ghali has instructed the peace-keeping force to examine ways of cutting costs by reducing manpower levels, while ensuring it can still perform its essential functions.

Lubrani: Hizbullah attacks in security zone to continue as long as Iran, Syria show support

DAVID RUDGE

HIZBULLAH attacks against the security zone will continue as long as Iran backs the organization and Syria allows its operations, Uri Lubrani, the government's coordinator on Lebanon, told The Jerusalem Post yesterday.

He stressed, however, that no amount of force would make Israel change its present deployment in the area until a political solution was reached with Lebanon.

Lubrani said the IDF would respond "in its own time and way" to Hizbullah's attacks on IDF and South Lebanese Army targets on Monday, in which a paratrooper officer was killed and 13 other soldiers - including another officer - were wounded.

"The response will be done in such a way as to try and blunt the appetite of these groups from operating in the way they have been operating," he said, declining to go into more detail.

"Nevertheless, I am not deluding myself that the response will stop them. As long as Iran is financing, training and inspiring Hizbullah, and as long as the Syrians permit and even encourage these things in their own way, these attacks won't stop," he said.

Lubrani said the rise in the level of expertise shown in the recent attacks was attributed to the training and more sophisticated weaponry Hizbullah was receiving from Iran.

He maintained it was "too early to say" whether Hizbullah was involved in yesterday's attack on the Israeli Embassy in London and on the Jewish community's headquarters in Buenos Aires, despite the fact that car bombs were a Hizbullah trademark.

Lubrani, who also heads the delegation to the peace talks with Lebanon, said Syria held the key to progress in the negotiations with the Lebanese.

Despite the current deadlock, Lubrani said he was optimistic there would soon be a breakthrough on the Syrian and Lebanese tracks.

"Conventional wisdom dictates that [Syrian President] Assad won't like to remain far behind in the peace process," Lubrani said. "What's happened now with Jordan is contributing to the discrepancy in the state of negotiations with Syria and Lebanon, and I believe that Assad will want to find a way, I think soon, to open up and begin to move forward."

Race is on for chairmanship of labor, social affairs committee

DAN IZENBERG

THE race is on in the Labor faction for the chairmanship of the labor and social affairs committee, even though the current head, Amir Peretz, has not yet formally stepped down.

Earlier this week, Peretz was appointed to head the Histadrut's trade union department and he is expected to give up his key committee post soon.

Meanwhile, at least three Labor MKs - Yossi Katz, Rafi Elul and Yoram Lass - have declared their candidacy and begun canvassing party colleagues for the job.

Other names floated include Dalia Itzik, Shmuel Avital and Ra'anan Cohen.

The faction is expected to elect a new chairman at the end of the summer recess in October.

Lass, a physician and former health ministry director-general said he would demand that only current committee members be allowed to run. That would leave only him and Katz as candidates.

Lass also said he deserved the post because the committee's main task will be to formulate the secondary legislation for the national health insurance bill.

"I've invested hundreds of hours of study on this issue," he said.

Elul, chairman of the Knesset social welfare caucus, told The Jerusalem Post he was best suited for the job because he has been involved in different types of welfare activity throughout his career, including 10 years as head of the Mazkeret Batya local council.

"I dealt with the problems of poor families, unemployment and education at close range," he said.

Elul rejected Lass' demand that the chairman be chosen from among committee members, accusing him of resorting to technicalities to block his candidacy.

Katz, a lawyer by profession, said he has a rich background in labor relations and the National Health Insurance Institute.

The most important task of the committee in the next two years will be to help legislate a national pension law, an area in which he is an expert, said Katz.

Cohen declared his non-candidacy for the post, but said he would be happy to assume the post - if it was offered to him without a contest.



Avigal Diskin is taken into Hadassah-University Hospital, Ein Kerem yesterday after being stabbed in her home in Jerusalem's Neveh Ya'acov neighborhood. (Sonia Harari)

Arab youth stabs Jerusalem woman in her home

BILL HUTMAN

A PREGNANT haredi woman was stabbed and lightly wounded by an Arab teenager in her apartment in northern Jerusalem yesterday, as her young children looked on.

As of last night, police were unsure whether the attack was criminally or nationally motivated.

Avigal Diskin, 23, was reported in good condition at Hadassah-University Hospital, Ein Kerem. Diskin, six months pregnant, was stabbed three times in the neck, a hospital spokeswoman said.

Her three children were present at the time of the attack, but were not hurt, according to police.

Immediately after the morning attack in the Neveh Ya'acov neighborhood, police were virtually certain it was sparked by a dispute between the woman and the teenager. Local residents verbally attacked police officers who told reporters the attack was probably criminally motivated, charged

ing police with trying to "cover up the truth."

But after further investigation it was discovered that a second Arab was in the apartment at the time of the stabbing, and the possibility it was nationally motivated increased.

Police last night were still searching for the assailant - an Arab teenager who did construction work in the neighborhood and knew Diskin - and the other Arab man.

They apparently fled in the direction of the nearby village of Hizmeah, according to police.

Diskin told police at the scene the youth entered the second floor apartment and surprised her from behind while she was working in the kitchen, a police source said.

She gave a detailed description of the youth, saying she had given him water to drink several times in the past, and once treated him for

a cut he received while working.

Only later, during further investigation and questioning of Diskin in the hospital did police discover that a second man was present.

Police and medics found blood stains in the kitchen, bathroom, and bedroom of the apartment, in the all-haredi eastern section of Neveh Ya'acov, which overlooks Hizmeah.

The assailant's shirt was also found in the apartment. Diskin told police she pulled it off as she fought with him. The about 20 cm.-long knife he used was discovered at the entrance of the home.

A senior police source said Diskin was recently involved in an incident in which her allegations she was attacked by Arabs did not stand up to investigation.

Dozens of police and Border Police arrived at the scene, and a police helicopter was sent in search of the assailant. By late last night, however, no suspects were detained.

Knesset approves Route 6 bill in first reading

DAN IZENBERG

THE Knesset yesterday approved in first reading a government bill establishing the framework for confiscation of land and compensation payments for construction of the Trans-Israel Highway.

The bill calls for paying compensation to landowners for confiscated property according to its value as agricultural land. This has aroused the fury of the kibbutzim, moshavim and Arab villages through which the road is designed to pass.

Finance Minister Avraham Shohat kept the Labor farming caucus members in line only by promising not to oppose a contradictory private member's bill initiated by MK Eli Goldschmidt, a member of Kibbutz Deganya and representative of the United Kibbutz Movement. Among other things, Goldschmidt's bill calls for assessing the value of the confiscated land according to its new use.

The plenum vote was preceded by a stormy faction session in which the three architects of the

law, Shohat, Housing Minister Binyamin Ben-Eliezer and Justice Minister David Liba'i, clashed sharply with members of the caucus including Goldschmidt, UKM representative Hagai Merom, and moshav representative Shmuel Avital. Other Labor members of the caucus include finance committee chairman Gedalya Gal, party secretary-general Nissim Zvilli and Agriculture Minister Ya'acov Tsor (who is not an MK).

Shohat warned that changing the principle whereby compensation for confiscation of land is assessed according to the original land use would cost the government huge amounts of money and make it impossible to confiscate land for any public use ever again.

Merom and Avital called on the government to withdraw the bill and iron out the differences with the landowners in order to reach consensual legislation.

Ben-Eliezer said the final plans for 90 kilometers of the 300-km.-long road - the section from Gadera to Hadera - have either been approved or will be approved within the next few weeks. The government legislation, if passed in its present form, will enable the contractor to move in and start work immediately, leaving the question of how much compensation will be paid until later.

Shohat and Ben-Eliezer warned that if the farming and Arab MKs force the government to change the compensation principle, they would withdraw the bill and shelve the road. Ben-Eliezer said the country's fleet of cars had increased by 120,000 since last year and that the existing road system would be clogged up with six or seven years.

The government bill passed by a vote of 17 to 7 with two abstentions, including Merom. Goldschmidt and Gal voted for the government bill. Goldschmidt's bill passed by a vote of 21-0.

Pollard's wife encouraged by support for husband

LIAT COLLINS

ESTHER Zeitz-Pollard, wife of Jonathan Pollard who is serving a life sentence in the US for spying for Israel, said she was "very encouraged" by the meetings she had yesterday with President Ezer Weizman, Sephardi Chief Rabbi Eliahu Bakshi-Doron and Likud leader Binyamin Netanyahu.

Both Bakshi-Doron and Netanyahu promised to visit Jonathan Pollard in prison during their next visits to the US and pledged firm support, Zeitz-Pollard said last night. She refused to divulge details of the private meeting she had with Weizman.

Bakshi-Doron promised to raise the issue at the Rabbinical Council meeting tomorrow, while Netanyahu said he would introduce a Knesset bill to grant Pollard immediate Israeli citizenship.

Zeitz-Pollard told the three that her husband is suffering from the very bad conditions in the North Carolina jail and that "he could not go on much longer."

"My husband is a soldier who fought for Israel, was wounded, and was left in the field. It is inconceivable that at a time when Israel is freeing prisoners whose hands are drenched in the blood of innocent people, the man who did so much for [Israel] should be the one to stay in prison."

Today, Zeitz-Pollard is scheduled to meet with Ashkenazi Chief Rabbi Yisrael Lau and tomorrow she is expected to have a second meeting with Justice Minister David Liba'i. She had hoped to meet with Prime Minister Yitzhak Rabin before his trip to Washington, but instead forwarded him a written request to persuade US President Clinton to release her husband.

NEWS IN BRIEF

Robbery suspect hangs himself in cell

Yigal Waknin, 29, who was caught red-handed stealing a woman's wallet, was found hanging in his cell at the Sderot police station yesterday evening.

Waknin, a drug addict and known to police, had broken into an apartment Monday where he stole the occupant's wallet. The woman saw him and chased him down the street where he was eventually arrested by police. He was due to appear for a remand hearing today.

At around 6 p.m., said police, guards at the lock-up made their regular check-ups on prisoners and found Waknin hanging by his shirt.

Efforts to revive him failed, and doctors at Ashkelon's Barzilai Hospital pronounced him dead. His death will be investigated by a police examining officer.

Acre bypass road opened

The Public Works Department yesterday opened two bypass roads in the North, one encircling Yokne'am and a road around Acre. The Acre bypass had been completed a few months ago, but could not be opened until the department complied with a High Court order to ensure that the traffic did not disturb a nearby Bahai shrine.

Baram to visit embassy in London

Tourism Minister Uzi Baram is due to arrive in London today to meet with the staff of the Israeli Embassy following yesterday's attack there.

Baram will arrive from Argentina, where he served as the government's emissary following the bombing of the building housing the Jewish community organizations.

Jordan shipping officials meet counterparts

Representatives of Jordan's national shipping company met with Transport Ministry officials in Jerusalem yesterday.

At the meeting, representatives of an international transport concern suggested establishing an international cargo center in Israel. Transport Minister Yisrael Kessar said he would consider the proposal, with the aim of improving transport to Jordan through Haifa and Ashdod ports.

American Jews helping Rwandan refugees

A coalition of 35 American Jewish organizations plans to send aid to the Rwandan refugees.

The American Jewish Joint Distribution Committee will oversee the aid operation.

The group took the first step in their operation a few days ago by purchasing two water filtration systems to ease the drinking-water situation at the refugee camps.

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